

2021

Corporate Social  
& Environmental  
Responsibility  
Report



## Tarkett at a glance

# A world leader in flooring and sports surface solutions

For over 140 years now, we commit every day to the design of great spaces. For Tarkett, this means putting people and planet first, caring about the environment and the health of present and future generations incorporated by our Tarkett Human-Conscious Design® approach.

It is our holistic way of doing business, capable of marrying the specific expectations of each of our customers with the profound challenges of protecting our planet, reducing our carbon footprint and changing the game with circular economy. Working together with our partners, we deliver safer and healthier spaces in which people can reach their full potential.

### A BROAD RANGE OF SOLUTIONS

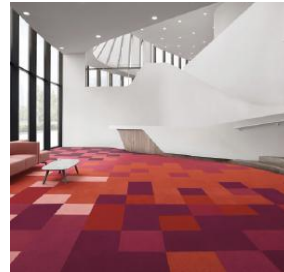
We offer to our customers one of the largest portfolios of flooring and sports surface solutions, and we share with our customers our expertise in multiple market segments.



Vinyl



Linoleum



Carpet



Wood



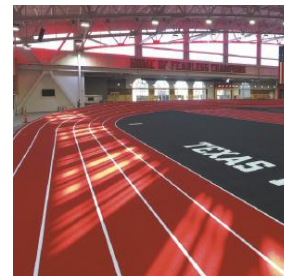
Laminate



Rubber & Accessories



Artificial Turf



Athletic Tracks



HEALTH CARE  
& AGED CARE



EDUCATION



WORKPLACE



HOSPITALITY



SPORTS



RESIDENTIAL

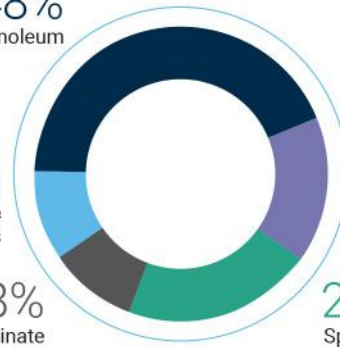
48%  
Vinyl & Linoleum

7%  
Rubber &  
Accessories

8%  
Wood & Laminate

16%  
Commercial  
Carpet

21%  
Sports



% of net sales by product categories

## TARKETT WORLDWIDE



### ATTRACTIVE END-MARKET EXPOSURE

68%  
Commercial  
(incl. Sports)



32%  
Residential

% of 2021 net sales

### SALES DRIVEN BY RENOVATION

80%  
Renovation



20%  
New construction

% of 2021 net sales

## CONSCIOUS CHOICES. FOR PEOPLE AND PLANET.

*Tarkett Human-Conscious Design® is our pledge to stand with present and future generations. To create flooring and sports surfaces that are good for people and for the planet. And to do it every day. We deliver on this through three commitments:*

- Deep human understanding.
- Conscious choices. For people and planet.
- With all our stakeholders. Every step of the way.



Eco-design by applying Cradle to Cradle® principles



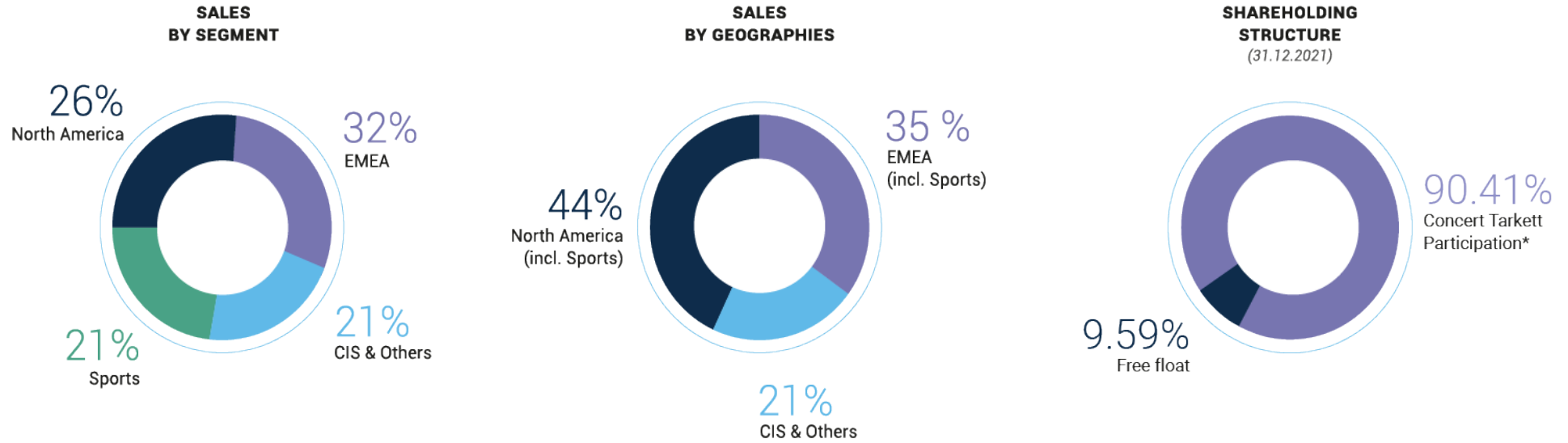
WE SUPPORT

Comply with the 10 United Nations principles



Contribute to the Sustainable Development Goals defined by the United Nations

## Tarkett in figures



Tarkett is listed on Euronext Paris (compartment B, ISIN: FR0004188670, ticker: TKTT).

\*Tarkett Participation, acting in concert on all the Tarkett shares not held by Tarkett Participation with Société Investissement Deconinck, Expansion 17 S.C.A., Global Performance 17 S.C.A. and the members of the supervisory board linked to the Deconinck family, have declared on October 25, 2021 holding in total 59 263 596 shares and 59 272 507 voting rights of the Company, representing 90.41% of the share capital and 90.08% of the voting rights of the Company. This includes 163,344 treasury shares (i.e. 0.25% of the share capital) and 84,211 shares held via its Luxembourg subsidiary Tarkett GDL SA, 100% owned (i.e. 0.13% of the share capital).

## Governance

# Supervisory Board

The Supervisory Board is composed of 13 members of which 5 members representing the Deconinck family, 3 independent members, 2 members representing the employees and 2 observers.



**Éric La Bonnardière**  
Chairman  
Member since 2015

**Didier Deconinck**  
Vice-Chairman  
Member since 2001

**Nicolas Deconinck**  
Member since 2015

**Julien Deconinck**  
Member since 2014

**Agnès Touraine**  
Member since 2016

**Didier Michaud-Daniel**  
Member\* since 2019



**Françoise Leroy**  
Member\* since 2013

**Sabine Roux de Bézieux**  
Member\* since 2017

**Véronique Laury**  
Member since 2021

**Florent Jannier**  
Member\*\* since 2021

**Caroline Tith**  
Member\*\* since 2021



**Bernard-André Deconinck**  
Observer



**Josselin de Roquemaurel**  
Observer

**Audit, Risks and Compliance Committee:**  
- Françoise Leroy (President)\*  
- Sabine Roux de Bézieux\*  
- Julien Deconinck

**Appointments, Compensation and Governance Committee:**  
- Françoise Leroy (President)\*  
- Agnès Touraine  
- Didier Michaud-Daniel\*

**CSR Committee:**  
- Sabine Roux de Bézieux (President)\*  
- Véronique Laury  
- Nicolas Deconinck

\* Independent

\*\* Was appointed member of the Supervisory Board representing employees by the Tarkett Economic and Social Committee.

## Governance

### Executive Management Committee

The Group Executive Committee is led by Fabrice Barthélemy, Chief Executive Officer (CEO). This international and entrepreneurial team is composed of experienced leaders who share the Group's interest and values, while ensuring operational agility through a decentralized organization.



**Fabrice Barthélemy**  
CEO



**Eric Daliere**  
President of Tarkett North  
America and Tarkett Sports



**Slavoljub Martinovic**  
President of Tarkett  
Eastern Europe & Asia



**Francesco Penne**  
President of Tarkett  
EMEA, LATAM & ANZ\*



**Raphaël Bauer**  
Chief Financial Officer



**Audrey Dauvet**  
Group General  
Counsel



**Séverine Grosjean**  
EVP Group Human Resources  
& Communication



**Arnaud Marquis**  
Chief Sustainability  
& Innovation Officer



**Carine Vinardi**  
Group R&D  
and Operations EVP



**Hervé Legrand**  
Group Chief Information Officer  
(CIO)

\* Australia/New-Zealand

## A Word from the CEO



Fabrice Barthélemy

While the COVID-19 pandemic remained prevalent in 2021, the global campaign of vaccination helped limit the impact, which, along with government and central bank support, have enabled continued economic recovery. The disparate resumption of economic activity has brought new challenges, notably with difficulties in the supply chain leading to shortage and inflationary pressures on raw materials and transport.

In this context, Tarkett has responded effectively, improving its cost base and pursuing initiatives to reduce production costs and general expenses, while offsetting higher costs through increases in sales prices. The Group also remained focused on following its strategic roadmap “Change to Win” to promote sustainable growth.

2021 was also marked by the growing acknowledgement that drastic action is required to limit global warming to not more than 1.5°C, as we witness more frequently the dramatic effects of climate change.

Here too, Tarkett has stepped up its action, committing to reduce our whole value chain greenhouse gas (GHG) emissions by 30% by 2030 compared to 2019. This target, which is aligned with the Paris Agreement goal to limit global warming to +1,5°C, is extremely challenging, given that only 10% of our emissions are linked to our manufacturing operations, with the rest essentially linked to raw materials and the treatment of our products at end-of-life.

For this reason, and as part of our Change to Win strategy, we are fully engaged with our customers, architects, designers, end-users, suppliers, and other partners to change the game with the circular economy. Firstly, by designing in and sourcing more recycled material which requires finding new innovative suppliers. Secondly, by diverting more flooring from

landfill and incineration which requires onboarding more customers to our ReStart® take-back and recycling program.

Both of these strategies mean obtaining and using more secondary raw materials from recycling which not only enables us to greatly reduce the carbon footprint of our products, but also makes us more resilient against supply chain constraints for virgin materials. In this domain, we are measuring our progress against our 2030 goal to triple the share of recycled raw materials to 30% by 2030.

Embarking our clients on this circular economy journey is critical and in 2021 we gave ourselves new opportunities to engage with our customers on their needs and on our solutions as we opened new showrooms in six countries. Our teams, for example, have brought together all our flooring solutions which contribute to the circular economy in the Tarkett Circular Selection. These products along with Tarkett's ReStart® take-back and recycling program are concrete examples of how we are helping our customers mitigate climate change. We ourselves have continued to make good progress in reducing our operational GHG emissions in 2021 (-27% Scope 1 & Scope 2 GHG emissions vs 2019), largely a result of further plants switching to renewable and non-fossil electricity and continued investment and implementation of energy efficiency solutions.

Tarkett is not only leading the drive on climate and the circular economy within our industry, but we are also helping our clients address other contemporary challenges and opportunities, such as rethinking the workplace in the post-COVID-19 world, reflecting on hospitals for the future, designing for diversity to create more inclusive spaces, or sustaining the game to achieve zero waste to landfill from artificial turf.

Tarkett, certainly appreciates the benefits of ensuring diversity, inclusion and a modern workplace as key enablers for greater creativity and collaboration. In 2021 our digital transformation successfully delivered a new set of tools and ways of working which are helping our teams become more agile, interactive, innovative and efficient. Our leaders and human resources experts further drove engagement and action on diversity, adapting action to local contexts.

Our digital transformation is also about greater interaction and transparency with our customers, designers and end-users. Tarkett has long since been committed to transparency, providing for example product Material Health Statements (MHS®), Cradle to Cradle® certifications and specific environmental product declarations (EPDs). In 2021 Tarkett continued to lead in discussions and initiatives to further facilitate and optimize the access to product information.

All these endeavors illustrate Tarkett Human-Conscious Design®, our commitment to stand with present and future generations. To create flooring and sports surfaces that are good for people and for the planet. It is a holistic way of doing business, capable of marrying the specific expectations of each of our customers with the profound challenges of protecting our planet.

Lastly, we are pleased to have the full support in this journey of our Supervisory Board and the majority shareholders. In 2021, Wendel teamed up with the Deconinck family to form Tarkett Participation (now holding 90% of Tarkett's share capital), bringing their support and expertise to Tarkett's long-term sustainable growth. We notably welcomed the new opportunity to discuss Tarkett's commitment and action on CSR topics with the new CSR committee created by the Supervisory Board.

Together with the Supervisory Board, we will continue to demonstrate our commitment to the United Nations Global Compact, and its 10 principles on human rights, labor, environment, and anti-corruption. We are convinced that we can provide our customers with the solutions and partnerships to provide a tangible contribution to the UN 2030 Sustainable Development Goals, in particular for good health and well-being (Goal 3) thanks to flooring contributing to indoor air quality and healthy and safe spaces; for responsible consumption and production (Goal 12) with our ReStart® collection and recycling service; and for climate action (Goal 13) with our circular economy and whole value chain GHG emissions reduction commitments.



*Homogeneous vinyl flooring at Ronneby site, Sweden.*



## Our Business Model dedicated to serving our customers...

### Our Inputs: Sustainable Capital



#### Financial capital

- Listed on Euronext Paris
- Concert Tarkett Participation (90.41%)
- Free float (9.59%)



#### Manufacturing capital

- 34 production sites in 19 countries worldwide (Europe, Russia, North America, Serbia, China, Ukraine, Brazil, Mexico, Australia, Turkey)
- 8 recycling centers



#### Intellectual capital

- More than 150 patent families active in 42 countries
- 25 R&D labs
- Tarkett Human-Conscious Design®
- Network of internal experts and methodology (World Class Manufacturing, Cradle to Cradle®, Talent Philosophy...)
- Scientific partnerships (universities, Environmental Protection Encouragement Agency - EPEA, suppliers...)



#### Human, social and relationship capital

- Close to 12,000 employees in 45 countries, representing more than 50 nationalities
- Diversified B2B2C clients, present in over 100 countries (sales forces, showrooms...)
- Diversified suppliers, from international key raw materials suppliers (PVC, plasticizers...) to local suppliers
- Local communities close to our industrial sites



#### Natural capital

- Energy from renewable and non-renewable sources
- Water
- Renewable (wood, jute, cork, ...) and non-renewable (fossil and mineral) raw materials, from recycled and virgin sources



#### Governance and compliance capital

- Management Board, Supervisory Board and 3 specialized committees (including CSR)
- Executive Management committee
- Codes of ethics and conduct
- Whistleblowing procedure
- Code of conduct Securities Markets

Section 3.2.1 in the section on CSR Governance describes how Tarkett is organized to drive change and achieve its CSR objectives

### Our Ambition: Change to win

- Be the global leader in commercial flooring and sports surfaces
- Grow selectively in residential flooring
- Change the game with circular economy



#### Our values: Committed – Collaborative – Creative – Caring

**Our Segments:**  
A recognized expertise in specific segments, in renovation and new construction



- Health & Aged Care



- Hospitality



- Education



- Sports



- Workplace



- Residential

**Our Solutions:**  
A comprehensive, innovative and coordinated offer of flooring and sport surfaces



- Resilient flooring (vinyl, linoleum...)
- Commercial carpet
- Wood and laminate
- Rubber and accessories
- Artificial turf and athletic tracks

**Our Channels:**  
A local service tailored to our different clients and regions



- Distribution, DIY and digital online platforms
- Key accounts, end-users, facility managers
- Specifiers (architects, designers), installers, contractors

**Our Stakeholders:**  
Our ambition to transition to a low carbon and circular economy through continual dialogue and collaboration with our stakeholders

- Customers, architects, designers, installers and end-users
- Employees and other external workers
- Suppliers, service providers and business partners
- Shareholders, investors, creditors and the financial community
- Trade associations, business networks, academic and scientific institutions
- Public authorities, intergovernmental and non governmental organizations

The principal means of dialogue are described in section 3.5 Stakeholder engagement

Section 3.1.3 presents the Group's ambition to place its stakeholders at the heart of its business model, responding to their expectations as well as setting out how Tarkett's Change to Win strategy and CSR objectives contribute to the UN's Sustainable Development Goals

and our stakeholders

## Our Outputs: sustainable performance despite challenging context

### Demonstrating the resilience of Tarkett's business model

▶ <b>€2,792 million</b> Net sales (6.4% organic growth)	<b>€229 million</b> Adjusted EBITDA	<b>8.2%</b> Adjusted EBITDA margin (% of net sales)	<b>€15.1 million</b> Net profit	<b>€687 million</b> Remunerations	<b>€73 million</b> Investments	<b>€26.3 million</b> Income tax paid	<b>€0.1 million</b> Support to local communities (Tarkett Cares)
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### Confirming our solid global positions

▶ **3<sup>rd</sup>** largest flooring group worldwide

**1.3 million** m<sup>2</sup> flooring sold daily in over 100 countries

**No. 1** in vinyl flooring

### Maintaining efforts to protect teams and develop talents

▶ **2.56** Recordable Lost Time Accident Frequency Rate (FR1t) for all employees<sup>1</sup>  
*2025 objective: 1.0*  
1# accidents with lost time < & > 24 hours per million worked hours

**26%** of managers are women  
*2025 objective: 30%*

**63%** of open management positions filled by an internal candidate  
*2025 objective: 70%*

**44%** employees trained in last year

**56%** of permanent employees had a Performance & Development Review

Safety

Diversity

Internal mobility

Training & Performance

### Meeting customer and societal expectations with good materials and healthy spaces

- **Assessing raw materials** (for health and environmental impacts) according to **Cradle to Cradle® (C2C)** principles (97%)
- **Contributing to well-being through our products:** indoor air quality (99% of flooring with low volatile organic compounds emissions), healthy spaces (95% of flooring using phthalate-free plasticizers), comfort (visual, acoustics, installation, maintenance...)
- **Selecting raw materials not contributing to resource scarcity** (70% - renewable, abundant or recycled)

### Supporting a green recovery by responding to the climate emergency and developing a circular economy approach

- **Reducing production greenhouse gas emissions to be aligned with The Paris Agreement** (-27% scope 1 & 2 vs 2019, 38% renewable energy)  
*2030 objective: -50% Scope 1 & 2 GHG emissions vs 2019 & -30% Scope 1+2+3 GHG emissions vs 2019 (where scope 3 relates to purchased goods and end-of-life treatment of products)*
- **Shifting to a circular economy model** bringing a positive contribution to climate change, using more recycled materials (~147,000 tons, 15% of raw materials in volumes)  
*2030 objective: 30% (in volume) of recycled raw materials*
- **Recycling our production waste** internally and externally
- **Collecting flooring via the ReStart® program** (~112,000 tons between 2010 and 2021)
- **Innovating and eco-designing** with new technology for low carbon products that can be disassembled and recycled
- **Achieving water savings** (-56% m<sup>3</sup> vs 2010) by equipping plants with closed loop water systems (71%)

### Driving collaboration in the value chain and in communities

- **Promoting sustainability in the supply chain** ("responsible sourcing program" with 49% of suppliers adhering to our code of conduct or equivalent, C2C eco-design)
- **Sharing our products information with our clients** (Material Health Statements - MHS, Environmental Product Declarations - EPD), engaging dialogue at 33 showrooms
- **Supporting local communities** through Tarkett Cares and employees' involvement
- **Training students and professionals** in flooring profession and installation techniques via Tarkett Academy (44,000 people trained from 2012 to 2021)

Section 3.3. on CSR risks and opportunities describes how Tarkett is contributing to addressing global challenges

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Message from the CEO – Fabrice Barthélemy

## 3.1 Tarkett's CSR ambition and commitment

### 3.1.1 Message from the CEO – Fabrice Barthélemy

The message from the CEO is presented in the introduction of this document.

### 3.1.2 Tarkett's business model

Our business model is presented in the introduction of this document and we detail further our engagement with our stakeholders in section 3.5 and the identification and management of CSR risks and opportunities in section 3.3.

### 3.1.3 Putting people first, our commitment to social and environmental responsibility

Putting people first: the people who live and play on our surfaces, the people we serve, the people we employ and the people in the communities where we operate. Tarkett is committed to putting people first, which implies caring for their health, safety, and well-being, creating a more inclusive culture and building teams that reflect the diversity of our society and our customers all over the world (nationalities, origins, background, gender, generations), with everyone feeling empowered to bring a broad range of views and talents to work every day. It also implies respecting their fundamental human rights and contributing to making the planet a better place to live for today's and tomorrow's generations.

We create floors that help make spaces healthier, more comfortable, and more beautiful, while striving to lessen the Group's environmental impact so that people flourish now, and in the future. Driving change to tackle climate change, develop a circular economy, innovating with good materials, and exceeding indoor air quality standards are keyways in which Tarkett implements its commitment to Human-Conscious Design®- putting people first.

Constantly working to ensure that all employees, contractors, and visitors know and apply safe work practices and procedures, every day and everywhere is another example of how Tarkett is committed to putting people first.

Engaging with and helping local communities through our Tarkett Cares program to help improve people's lives in the communities in which we are based is also about putting people first.

#### Change to Win

Every business, large and small, has a role to play in combatting climate change, conserving natural resources, and protecting the planet's ecosystems for the benefit of all. That is why Tarkett is championing the circular economy within the flooring industry and putting circular economy and climate change challenges at the heart of its current strategic plan, Change to Win.

This plan, presented in 2019, sets out our path to future growth, where Tarkett aims to be the global leader in commercial flooring and sports surfaces, to grow selectively in residential flooring and to change the game with circular economy by delivering across four strategic pillars: Sustainable growth, OneTarkett for our customers, People & the Planet and Cost and financial discipline.

In 2020, Tarkett's CEO created a new role in the Executive Management Committee for a Chief Sustainability Officer to establish Tarkett as a reference regarding climate change and circular economy.

In 2021, Tarkett's Supervisory Board, convinced of the strategic importance of CSR topics and committed to supporting Tarkett's management in this domain, established a new special committee dedicated to overseeing Tarkett's CSR ambition, objectives, and reporting.

Putting people first, our commitment to social and environmental responsibility

## Focus

### Understanding and anticipating our client's expectations and requirements regarding sustainable and responsible development

Our clients face various challenges and have continually increasing expectations, for example:

- > Installers and contractors: need to easily install new flooring and sports surfaces as well as remove and recycle post-installation and old flooring and sports surface waste without difficulty.
- > Architects and designers: select materials meeting more and more stringent criteria on certification and standards regarding indoor air quality, healthy spaces, climate, and recycling, requiring transparent information on the composition of our products and solutions to facilitate their recycling during future renovations.
- > Distributors: offer products responding to market trends, requiring support for sales force, notably regarding products' technical and environmental characteristics, and assurance of timely product availability.
- > Final users, who live and play on our flooring and sports surfaces on a daily basis: do not want to compromise on price, design (visual aspect), performance (comfort, resistance, acoustics, safety, easy maintenance) and respect for health and the environment.

**Our commitment to social and environmental responsibility is embedded in our strategy and integrated in all our activities.** Here are some examples:

- > eco-design according to Cradle to Cradle® principles;
- > responsible sourcing with third-party material assessment and our Supplier Code of Conduct;
- > operational excellence with our World Class Manufacturing (WCM) program (in particular safety and environmental management);
- > climate mitigation in our plants and in our value chain;
- > embracing circular economy through design, use, and end-of-life recovery and recycling, notably with our ReStart® take-back and recycling program;
- > product development for greater indoor air quality;
- > collaboration with customers, suppliers and other stakeholders, bringing thought leadership through our Tarkett Human-Conscious Design® initiative;
- > promoting diversity and inclusion in our teams and in our industry;
- > enabling employee development with Talent Management Guiding principles.

Every day, we strive to combine these elements not only to best serve our clients, but also to anticipate and respond to the expectations and requirements of our different stakeholders : customers, architects, designers, installers, end users, employees, suppliers, investors, NGOs, public authorities, and local communities.

**See the following sections for more details:**

- > Section 3.5 Stakeholder engagement
- > Section 3.6 Meeting customer and societal expectations through eco-design, transparency, and circular solutions
- > Section 3.7 Responding to the climate emergency with good environmental management and a circular economy approach
- > Section 3.8 Creating solutions for greater indoor air quality and safe, healthy spaces for our customers
- > Section 3.9 Driving Collaboration in the value chain and in communities
- > Section 3.10 Nurturing our human capital

Putting people first, our commitment to social and environmental responsibility

Tarkett contributes to several of the United Nations Sustainable Development Goals (SDG) through our Tarkett Human-Conscious Design® approach

In 2015, the United Nations adopted the 2030 Agenda for Sustainable Development along with a set of 17 Sustainable Development Goals. This framework defines a blueprint to achieve a better and more sustainable future for all by spurring local and global ecological, social, and humanitarian changes. The action plan aims to address key issues in areas such as poverty eradication, environmental protection, and economic development. Through its ambitious CSR approach implemented since 2010, Tarkett contributes to several of the UN Sustainable Development Goals.

- > **Developing a circular economy for present and future generations:** Tarkett's long term vision is for all flooring to be recyclable and recycled. Tarkett is building a circular economy based on programs and business models that encourage take-back, reuse, recycling, and elimination of waste (SDG12).
- > **Eco-designing products according to Cradle to Cradle® principles:** Tarkett's eco-design approach follows the independent and internationally recognized Cradle to Cradle® methodology that applies science-led thinking to implement circular economy solutions with materials evaluation undertaken by a third-party, EPEA (Environmental Protection Encouragement Agency). Tarkett is continuously seeking ways to optimize its existing materials by switching them for even better alternatives where possible and available. Selecting good materials that can be recycled over and over is a cornerstone of the Tarkett Human-Conscious Design® approach. Eco-design also means preserving natural resources (SDG 15), fighting climate change (SDG 13), developing products that contribute to greater indoor air quality, with better health and well-being in working, leisure, and living spaces (SDG 3).
- > **Driving collaboration for a circular economy:** inspiring others to join us through education, collaboration, transparency, and communication (SDG17).
- > **Supporting communities:** contributing to the development of communities and territories where we operate and making sure our business is inclusive by bringing together various stakeholders, including suppliers, and encouraging them to take part in our responsible value chain (SDG 11).
- > **Creating a more inclusive culture:** building teams that reflect the diversity of our society and our customers all over the world, notably deploying an objective concerning gender diversity (SDG 5) and promoting design for diversity.
- > **Developing talents:** involving and engaging each employee, which we consider crucial for the successful implementation of our projects, therefore creating a safe, respectful, inclusive, and rewarding work environment (SDG 8).



Tarkett's long-term sustainable development objectives

In 2021 Tarkett revised its climate objective, engaging on reducing whole value chain emissions by 30% by 2030 compared to 2019. Tarkett prepared this short-term target following the Science-Based Target Initiative (SBTi) methodology and submitted it for their validation in February 2022. This represents a significant step change as Tarkett widens its commitment from its operational GHG emissions (Scope 1 & 2) to include its value chain emissions (Scope 3) related to the production of raw materials and to the end-of-life treatment of its products. These so-called Scope 3 value chain emissions represent 90% of Tarkett's overall GHG emissions.

Tarkett already focused on these value chain emissions as part of its commitment to a circular economy in its Change to Win strategic plan, launched in 2019. It set the objective to triple the share of recycled raw material by 2030 in addition to setting new objectives on safety and diversity:

- > Circular Economy: Triple share of recycled raw materials<sup>1</sup> from 10% to 30% by 2030
- > Safety: Reduce the Injury frequency rate<sup>2</sup> to 1.0 by 2025
- > Talent & Diversity: Increase internal mobility<sup>3</sup> to 70% by 2025

In 2020, Tarkett's Supervisory Board also approved a new diversity target of 30% of managers and senior executives to be women by 2025.

<sup>1</sup> Also known as secondary raw materials  
<sup>2</sup> Number of accidents with lost time < & > 24 hours per million worked hours  
<sup>3</sup> Open management positions filled by an internal candidate

Tarkett Human-Conscious Design® - Our sustainability progress in 2021

### 3.1.4 Tarkett Human-Conscious Design® - Our sustainability progress in 2021



Preserving resources through circular economy

**RENEWABLE, ABUNDANT OR RECYCLED MATERIALS**

**70%** of our raw materials do not contribute to resource scarcity

**RECYCLED RESOURCES**

**147,000** tons of recycled materials in production

**15%** of our raw materials are recycled materials  
 45% in EMEA carpet production  
 23% in EMEA vinyl production  
 2030 Global Objective: 30%

**FLOORING TAKE-BACK**

**112,000** tons of flooring collected from 2010 to 2021 by Tarkett ReStart® collection and recycling program in our 8 recycling centers in Europe, Brazil, and North America

**PRODUCTION WASTE**

**14** plants send no waste to landfill

**WATER CONSUMPTION**

**-56%** vs 2010 (m³)

**71%** of plants equipped with a closed loop water system



Fighting climate change



**RENEWABLE ENERGY**

**12** plants purchasing 100% renewable electricity

**38%** of total energy consumption comes from renewable energies

**GREENHOUSE GAS EMISSIONS**

**-27%** Scope 1 & 2 versus 2019

2030 objective: -50% vs. 2019 & -30% scope 1+2+3 vs. 2019

**177,500** tons CO<sub>2</sub>e

(Scope 1 & 2) in 2021 from production sites

Tarkett Human-Conscious Design® - Our sustainability progress in 2021



Using good materials for people's health and the environment



**C2C MATERIALS ASSESSMENT**

**97%** of our raw materials are third-party assessed for their impact on people's health and the environment based on Cradle to Cradle® criteria



**INDOOR AIR QUALITY**

**99%** of flooring solutions have low VOC (volatile organic compounds) emission levels (10 to 100 times lower than the most stringent world standard)



**HEALTHY INDOOR ENVIRONMENT / PHTHALATE-FREE**

**95%** of our flooring solutions containing PVC (vinyl and carpet) are phthalate-free<sup>1</sup> on a global level (% of m<sup>2</sup> produced)



Respecting and developing our teams



**SAFETY**

**2.56** Recordable Lost Time Accident Frequency Rate (FR1t)<sup>2</sup>  
2025 Objective: 1.0



**DIVERSITY**

**26%** of women among managers & senior executives  
2025 Objective: 30%



**INTERNAL MOBILITY**

**63%** of open management positions filled by an internal candidate  
2025 Objective: 70%



Supporting local communities and global initiatives



**COMMUNITY SUPPORT**

**700** community initiatives with employees volunteering **3,300** days and **over 1 million euros** of product donations between 2017 and 2021



**EXPERTISE SHARING**

**44,000** professionals or students trained as professional installers or in flooring installation techniques from 2012 to 2021

Engaging with our value chain to promote climate solutions and circular economy

Deploying our responsible sourcing program of our suppliers have adhered to Tarkett's Code of Conduct for Suppliers or equivalent

Engaging with customers, architects, designers and end-users

**33** showrooms in 18 countries, with **6 new** openings in 2021

<sup>1</sup> Except recycled content for certain products and countries.

<sup>2</sup> Number of accidents with lost time < & > 24 hours per million worked hours.



Tarkett Human-Conscious Design® - Our sustainability progress in 2021

**Tarkett's CSR performance and ESG Ratings (Environment, Social and Governance)**

**CDP Climate Change disclosure score: B**  
(management level)



> Tarkett discloses its climate change impact through CDP, a global non-profit that runs the world's leading environmental disclosure platform. More than 13,000 companies worth over 64% of global market capitalization disclosed environmental data through CDP in 2021.

**EcoVadis Sustainability rating: 74/100 – platinum medal**  
(advanced level, in top 1% of our industry category, highest level of maturity in this rating a company can reach)



> EcoVadis assesses CSR policies, actions, and results across 4 themes and 21 CSR criteria: environment, labor and human rights, ethics, and sustainable procurement. 85 000 companies in 160 countries are assessed through EcoVadis.

**UN Global Compact Advanced level**



> Advanced level corresponds to companies that produce an annual communication on progress (COP) which meets all minimum requirements and information is provided in the self-assessment on additional advanced criteria in the following areas: Implementing the Ten Principles into Strategies & Operations; Taking Action in Support of Broader UN Goals and Issues; Corporate Sustainability Governance and Leadership.

> As early as 2010, Tarkett responded to the United Nations Global Compact. Since 2012, we have reached the highest level of maturity, the Global Compact Advanced Level. All in all, 15 000 companies in 163 countries are assessed through Global Compact, with only 11% of all corporations worldwide reaching an Advanced level.

Driving change and the achievement of our CSR objectives

## 3.2 CSR governance

### 3.2.1 Driving change and the achievement of our CSR objectives

**Tarkett stepped up its commitment on climate in 2021 as it continued to build and deliver on its 2019 Change to Win strategy.**

**Execution of our Change to Win strategic plan and associated CSR strategy is monitored by the CEO and the Executive Management Committee**, involving the divisions' Presidents (Sports & North America, Eastern Europe & Asia, EMEA & LATAM Australia/ New Zealand) and the support functions' Executive Vice Presidents / Chief Officers. The Executive Management Committee meets monthly to review the Group's operational, financial and non-financial performance, notably the execution of the Change to Win strategic plan, including the safety, internal mobility, climate and circular economy objectives, and to discuss business operations and other current Corporate Social Responsibility issues.

Our Chief Sustainability Officer, a position created in 2020, is leading the implementation of our Change to Win strategy on sustainability. Responsibilities include establishing Tarkett as a reference regarding climate change and circular economy, intensifying the reduction of greenhouse gas emissions and the deploying circular solutions for our customers. The Chief Sustainability Officer also manages the group innovation process, which includes programs for the circular economy and the creation of new business models.

Our General Counsel supervises all legal, compliance and insurance matters for the Group in close coordination with the Divisions and ensures compliance with all relevant laws and regulations, as well as the respect of Tarkett's codes on business ethics, anti-corruption and fair competition.

Our Executive Vice President for Human Resources responsibilities include overseeing the deployment of Tarkett's Talent Management Guiding principles, notably diversity and inclusion, promoting employee health and well-being, career development and internal mobility and organizing social dialogue, such as the Group's European works council.

Our Executive Vice President for Research and Development and Operations responsibilities include ensuring product eco-design according to Cradle to Cradle® principles, innovation, and responsible sourcing, as well as improving the Group's operational performance to enhance safety, customer satisfaction and productivity notably by supporting division teams through Tarkett's World Class Manufacturing program.

Our Group Chief Information Officer is responsible for accelerating the digitalization of our internal and customer-facing processes by providing more efficient tools centrally, such as through the modern workplace project, and also by providing an IT environment allowing local applications satisfying customer needs.

Our CFO oversees the company risk mapping, mitigation, and internal control, as well as reviewing business plans and ensuring the monitoring of progress against Change to Win targets, such as Tarkett's non-financial CSR reporting on safety, talent and diversity, climate change and circular economy.

Finally, the Presidents of Tarkett's 4 Divisions (EMEA / LATAM & Australia/New Zealand; Eastern Europe & Asia; North America; and Sports) ensure the operational deployment with the assistance of the support Functions.

Driving change and the achievement of our CSR objectives

## Focus

**Focus on climate-related disclosure according to Task Force for Climate-related Financial Disclosures (TCFD) recommendations**

### Governance

**Tarkett has a two-tier board structure, with a Management board (executive) and a Supervisory board (non-executive), both of whom provide oversight of climate-related risks and opportunities:**

**Tarkett's CEO, is responsible for oversight of climate-related issues on the executive Management board and larger Executive Management Committee (EMC), reporting regularly to the Supervisory board.** The Group's EMC meets monthly to review the Group's operational, financial, and non-financial performance and to discuss strategic projects and business operations, including Corporate Social Responsibility and climate-related issues. In June 2020 the CEO nominated a Chief Sustainability Officer to the EMC to accelerate the implementation of Tarkett's Change to Win Sustainability strategy, and to establish Tarkett as a reference regarding climate change and circular economy. Other roles in the EMC include for example:

- > the CFO who oversees the company risk mapping, which includes the risk factor 'climate change' as well as reviewing the business plans, annual budgets, and ensuring the monitoring of progress against targets such as the tracking and reporting of climate-related as well as other CSR key performance indicators;
- > the Presidents of Divisions who ensure the operational deployment with the assistance of the support functions; and
- > the Group R&D and Operations Executive Vice-President who actively supports the divisions in executing key projects and strategy, including the circular economy and climate objectives.

In 2019 the CEO prepared with the EMC Tarkett's new strategy Change to Win, personally deciding to include the circular economy as part of Tarkett's ambition as he believes that as a responsible flooring and sports surfaces company, Tarkett has a role to play to change the game of the industry with circular economy – a widely recognized solution to address resource scarcity and the climate emergency.

In 2020 and 2021 the EMC regularly reviewed the execution of the Change to Win strategy, including approving a new climate objective and action plan.

**The Supervisory board reviewed and approved in 2019 the Change to Win strategy with the ambition to change the game with circular economy as a key solution to responding to the climate emergency.** The Supervisory board has monitored the follow-up and progress of the implementation of this new strategic plan which includes action and targets on climate-related issues (e.g. plant GHG emissions intensity reduction and the transition to a circular economy with the increasing use of recycled secondary raw materials). In 2021 the Supervisory Board created a new special committee to assist it in reviewing CSR risks, opportunities and corresponding strategy and actions. In 2021 the new CSR Committee reviewed the double materiality of sustainability risks and opportunities, looking at both the potential impacts of Tarkett's activity on the environment and the sustainability risks and opportunities facing Tarkett's value chain. It also examined Tarkett's climate and circular economy objectives, strategy, and action plan.

### Strategy, Risk management and Targets

In 2019, as part of the Change to Win strategic plan, the CEO set two climate-related targets:

- > to triple to 30% the share of recycled raw materials used, and
- > to reduce Scope 1 & 2 GHG emissions / sqm of flooring by 30% by 2030 compared to 2020

In 2021, Tarkett revised its climate objectives:

- > 50% reduction in total Scope 1 and Scope 2 GHG emissions by 2030 compared to 2019 in line with the Paris Agreement aim of limiting the global temperature rise to 1.5°C.
- > 30% reduction of whole value chain GHG emissions (Scope1, Scope 2 and Scope3) by 2030 compared to 2019 (the target will be submitted to the Science-Based Target Initiative for validation).

Driving change and the achievement of our CSR objectives

### Group Sustainability Committee

> The committee is composed of sustainability managers from Tarkett's divisions, managers, and experts from Purchasing, Operations, Research and Development, Finance, Human Resources and Communication. The role of the committee, which regularly reports to the Executive Management Committee, is to coordinate and to monitor the execution of Tarkett's sustainability strategy; to regularly review the adequation of Tarkett's sustainability strategy and objectives in the light of new risk, opportunity and materiality assessments and internal and external stakeholder dialogue; and to prepare proposals for the Executive Management Committee to ensure Tarkett leads the industry regarding climate change and circular economy. In 2021 the Committee met seven times notably working on Tarkett's objectives and action plans on climate and circular economy as well as reviewing local market trends, such as customer sustainability requirements.

### Other instances supporting the implementation of Tarkett's CSR strategy, commitments, and objectives

- > the **HR Core team**, led by Tarkett's Human Resources and Communication Executive Vice President and comprised of senior HR executives from Tarkett's divisions, regularly review the execution of the actions related to the Change to Win strategic plan, the progress of the Group Talent Management strategy along with implementation of other HR policies and initiatives, such as internal mobility, diversity and inclusion, benefits, employee feedback, social dialogue, and Tarkett Cares. In 2021 the team drove action on diversity and inclusion with each division developing action plans and locally adapted additional objectives. Continued attention was also given to facilitating flexible remote working with the deployment of digital tools such as online learning through the Workday platform.
- > The **Group anti-corruption committee**, established in 2020, leads Tarkett's anti-corruption program. In 2021 the committee met 6 times.
- > The **innovation program management**, implemented in November 2019, accelerates innovation and leverages synergies for delivering on the Change to Win Strategy. The program was adapted in 2021, providing greater focus on Tarkett's key priorities to support the Change to Win strategy and taking into account Tarkett's new climate objective. The program dedicated to the circular economy was widened to cover climate mitigation with a focus on both product recycling and product carbon footprint. The specific programs, which include one on 'Health and Well-being', are led by global program managers who drive the work and ensure support to the Divisions.

### Communication of Tarkett's CSR strategy, commitments, and objectives

- > The Change to Win strategy and associated CSR objectives, along with initiatives and achievements, are **shared with company employees**, in particular via internal newsletters, intranet news, and training. Progress and challenges are also shared with the senior executives as part of quarterly results presentations.
- > Our commitment and results are also **presented to the shareholders and the financial community** during the annual Shareholders Meeting and Quarterly Financial webcasts, and to all our stakeholders via our different publications (the annual Universal Registration Document with the non-financial statement / annual CSR report, and on Tarkett internet website).
- > Tarkett organized its first **global Sustainability Day** on 8th December 2021, coinciding with the World Climate Day. The main aim of the day was to mobilize employees around Tarkett's climate and circular economy actions. Different initiatives were organized on a local, divisional, and global level, with resources and support provided through a new dedicated sustainability intranet page. These included a video session with Tarkett CEO and Chief Sustainability Officer on what Tarkett has achieved and the focus of action going forward.

### CSR performance linked compensation

The successful implementation of Tarkett's Change to Win strategy, the associated objectives and other corporate social responsibility policies and actions is driven in part through individual incentives.

- > The reduction of Scope 1 & 2 greenhouse gas (GHG) emissions and the circular economy (increase in the percentage of recycled materials used in the manufacture of our products) were **included in the 2020-2023 and 2021-2024 LTIP** (Long-term incentive-plan) criteria. The GHG emissions and circular economy objectives form part of Tarkett's Change to Win strategy aiming to transition to a circular economy, a central part of Tarkett's response to climate-related risks and opportunities. In total, some 181 to 240 managers and executives worldwide, depending on the plan, have part of their LTI grant related to the achievement of these two objectives. Furthermore, all the members of the Executive Management Committee (EMC) have other CSR objectives depending on their areas of responsibilities.
- > At plant and Division level, **Health, safety and environmental managers** are responsible for the deployment of actions plans and programs on safety and environmental protection, including Tarkett's climate-related strategy. As such their personal objectives may include safety targets, efficiency targets, emission reduction targets, energy reduction targets, ReStart® collection targets, waste management or other circular economy objectives depending on their specific local roles.

Driving change and the achievement of our CSR objectives

- > At plant level, some **managers and operators** may have their personal objectives related to the deployment of Tarkett's Change to Win strategy and the implementation of Tarkett's World Class Manufacturing (WCM) program. This program includes procedures and actions to improve efficiency, energy reduction, emissions reduction, waste reduction and recycling and environmental incident reporting and analysis. Some managers in the sales network may also have their personal objectives linked to Tarkett's ReStart® collection and recycling program – a key part of Tarkett's circular economy and climate strategy.

#### Supervisory Board oversight on Tarkett's CSR strategy, commitments, and performance

The CEO regularly reports to the Supervisory Board on the progress on Tarkett's Change to Win objectives, which includes CSR objectives.

In 2021 the Supervisory Board created a new special committee to further assist the Supervisory Board with the review of CSR topics. The role of this new CSR Committee includes the review of:

- > Tarkett's main CSR risks and opportunities;
- > the Group's CSR commitments, strategy and internal management;
- > the Group's CSR reporting and CSR communication to shareholders and other stakeholders, notably with the review of Tarkett's annual CSR report;
- > the ratings obtained by the Group from non-financial rating agencies or independent certification or labelling bodies.

The Committee, to form its opinion, consults Tarkett's CEO, Chief Sustainability Officer, and other executives when appropriate, as well the group's statutory auditor appointed as an independent third-party for the verification of its non-financial statement (CSR report). It then reports to the Supervisory Board with the findings of its work.

Furthermore, the two other existing special committees continue to support the Supervisory Board on certain CSR aspects related to their area of responsibility:

- > The **Audit, Risk and Compliance Committee** ensures the effectiveness of risk-monitoring and internal control procedures.
- > The **Nominations, Compensations and Governance Committee** determines and regularly reviews the compensation and benefits awarded to the Company's top executives, and particularly checks that CSR objectives have been included in the variable compensation criteria. For example, in 2021, like in 2020, specific targets of reduction of greenhouse gas (GHG) emissions (Scope 1 & 2) and circular economy (increase in the percentage of recycled materials used in the manufacture of our products) were included in the Long-Term Incentives criteria for all the beneficiaries of the plans. Furthermore, the members of the Executive Management Committee have individual CSR objectives depending on their areas of responsibilities.

Tracking our CSR performance with a robust reporting process

### 3.2.2 Tracking our CSR performance with a robust reporting process

The reporting process of CSR / sustainability indicators is managed and consolidated since 2018 by the Financial department with the support from the different relevant functions (including Sustainability, Operations/WCM, HR, Legal, Research & Development...), divisions and sites. The CSR report (Non-financial statement), managed by the Communication & CSR department, is included in the annual Universal Registration Document. The reported indicators and the CSR report are audited by a third-party independent organization (see section 3.11.4 Report of Independent Third-Party Organization).

**A detailed, rigorous, and audited reporting process:** The reporting process is documented in a comprehensive CSR reporting guide, which provides the Group and all teams involved in the CSR reporting at all levels of the organization with clear instructions, definitions and guidelines. This guide, which is reviewed annually, describes in detail CSR reporting principles, the scope, the definition of indicators, as well as the tools / calculation methods and controls carried out by contributors at the local level, and consolidation of data at the Group level. The process and the indicators are audited by internal audit teams and by a

third-party independent organization (see section 3.11.4 Report of Independent Third-Party Organization).

**Dashboards that allow accountability and management of CSR performance at each level:** The Group follow dashboards, which notably include Tarkett's environmental and social objectives for 2025 and 2030, as announced in 2019 and subsequently, as part of Tarkett's Change to Win strategic plan. Divisions and functions also have dashboards with their CSR indicators, allowing the different entities to drive their performance and focus their efforts on the material challenges associated with their local activities. The analysis of indicators over time is crucial to measure progress achieved, identify room for improvement and the challenges which still need to be tackled, and implement ambitious and pragmatic action plans.

**Progress review meetings** are also jointly organized at different levels: Group, divisions, functions and sites, and as part of specific "networks" (WCM, HR, etc.).

### 3.2.3 Adhering to international standards

Tarkett's commitment, as well as the CSR report, the dashboards, the 2025 and 2030 objectives and the robust reporting process, meet the European and French regulatory obligations, and are in line and consistent with the requirements of internationally recognized standards:

- > the European Union Directive and the French regulations on non-financial statement, known as the extra-financial performance declaration ("*déclaration de performance extra-financière*" or DPEF);
- > the French duty of care ("*Devoir de Vigilance*") and anti-corruption law ("*Loi Sapin 2*");
- > the European Data Protection Regulation on data privacy;
- > the ten principles of the United Nations Global Compact (UNGC), to which we communicate our results to comply with the "Advanced" level standard;
- > several Sustainable Development Goals (SDGs) defined by the United Nations;
- > the Global Reporting Initiative (GRI) Standards – see in particular section 3.11.3 GRI and DPEF concordance table;

- > the Task-force on Climate-related Financial Disclosures (TCFD);
- > the Carbon Disclosure Project (CDP) climate change questionnaire;
- > the calculation and reporting of greenhouse gas (GHG) emissions in line with the World Business Council for Sustainable Development (WBCSD) and the World Resources Institute (WRI) GHG Protocol;
- > the setting of a whole value chain GHG emissions (Scopes 1, 2 and 3) reduction target in line with the Paris Agreement's aim of limiting the global temperature rise to 1.5°C, following the Science-Based Target Initiative (SBTi) methodology and criteria (NB. the target was submitted to SBTi for validation in February 2022);
- > Cradle to Cradle® (C2C) principles for the design of our products, from material selection and product manufacturing, to installation, use, maintenance, end-of-use and product recovery;
- > the AFEP-MEDEF recommendations, notably regarding corporate governance and the DPEF.

Remaining committed to high business and ethical standards

### 3.2.4 Remaining committed to high business and ethical standards

Tarkett signed up to the United Nations Global Compact (UN GC) in May 2010. Tarkett continues to remain committed to upholding the ten UN GC principles in its day-to-day business and operations and works constantly to further progress its action and performance on social responsibility as demonstrated in its "people and planet" pillar of its Change to Win strategy. Tarkett understands that the ten Principles of the United Nations Global Compact were derived from key texts to which Tarkett fully adheres: the Universal Declaration of Human Rights, the International Labor Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption.

Tarkett is committed to supporting and respecting the protection of internationally proclaimed human rights; and to making sure that we are not complicit in human rights

#### 3.2.4.1 Ensuring business ethics and integrity

Among our most important company assets are our reputation and credibility for high standards of ethics and integrity. We consider that adherence to these principles as well as compliance with applicable laws and regulations are "non-negotiable" and central to how we do business every day and in every country. This corporate responsible commitment is evident in our core values, and we urge every Tarkett employee to follow and act according to these principles.

These principles are transcribed in **several Group's Codes and Policies**, for example:

- > The **Code of Ethics**, which was originally developed in 2009, was completely revised in 2020. It defines basic principles that must imperatively be respected by the Group and its employees. It covers business ethics, with notably the topics of fair competition, anti-corruption, conflict of interest and veracity of accounts; Tarkett's role as an employer, with the respect for human rights and health and safety of employees; and Tarkett's commitments as a corporate citizen, responsible and caring of others with respect for the environment, local cultures as well as personal data. The Code has been translated into 17 languages and deployed throughout the Group.

abuses. Tarkett upholds the freedom of association and recognizes the right to collective bargaining. Tarkett will not be party to any form of forced and compulsory labor or to child labor or to any forms of discrimination. Tarkett adopts a precautionary approach to environmental challenges and continually strives to promote greater environmental responsibility, notably developing and promoting environmentally friendlier solutions. Tarkett also remains steadfast in its resolve to tackle all forms of corruption.

In 2021 Tarkett prepared a Human Rights Statement to reconfirm and raise awareness to these commitments.

Tarkett completes the annual communication on progress to the UN GC, according to the Advanced level, which can be consulted on the UN GC website.

- > The **Anti-corruption Code of Conduct**, updated in 2021, builds on the principles in the Code of Ethics. It was deployed from 2018 in replacement of the Anti-corruption Policy which was in effect since 2012 (see section 3.2.4.2 Preventing corruption). This Code has been translated into 17 languages and deployed throughout the Group with employee representative bodies being consulted when necessary.
- > The **Competition Policy** complements the Code of Ethics on the topic of compliance with competition laws, underlining the essential principles and rules to be strictly respected in terms of relationship with competitors (horizontal agreements, exchange of information, membership, and participation in trade associations), relationships with suppliers and customers, good practices to avoid abuse of dominance, misleading advertising, etc. Competition Guidelines for commercial negotiation were finalized in 2021 in France.

To ensure that all Tarkett employees are aware of and respect the values and behaviors that we wish to share, we have implemented **several trainings and monitoring programs**:

- > **Automated acknowledgement**: IT-equipped employees' receipt of compliance documents, such as Code of Ethics, Anti-corruption Code of Conduct and Competition Policy, is now automated, along with the completion of a conflict of interest declaration.

Remaining committed to high business and ethical standards

- > **Compliance training:** the compliance training program initiated in 2018 and regularly reviewed, focuses on fair competition, anti-corruption, and ethics. The program consists of customized e-learning modules which are organized for employees considered most at risk by their function (e.g. over 4,000 employees enrolled for each of the training modules on ethics, anti-corruption and antitrust). Anti-corruption issues addressed include bribery, relations with intermediaries, gifts and invitations, charitable donations and the whistleblowing systems available to employees as well as third parties. Regarding competition law, the program covers in particular horizontal (competitors) and vertical (suppliers and sub-contractors) restrictions of competition such as the exchange of information in the framework of professional trade organizations. A user-friendly tool with improved look and feel was deployed in 2021 with modules shortened but conducted more regularly. Face-to-face training sessions have also continued in 2021 via dedicated compliance workshops (mostly virtual) tailored to groups of employees more exposed to the previously mentioned risks, notably teams in France and Russia. Tarkett has changed the approach to its training programme by targeting those most at risk in terms of compliance. This new methodology allows for more thorough monitoring of participation and easier consideration of disciplinary action for non-compliance. Overall participation rates improved thanks to an efficient follow-up strategy with controls to ensure that all at-risk employees were enrolled. In 2021, 97.3% of enrolled employees completed training on ethics, 96.2% on anti-corruption, and 99.4% on antitrust. In general, 97.6% of targeted employees completed e-learnings on Business Ethics in 2021.
- > **Participation in trade associations:** Guidelines of good behavior practices when joining trade associations and more generally when attending meetings where competitors are present were developed in 2018 and are now included in the training sessions. Several controls were made in 2021 on the application of the guidelines.
- > **Cybercrime and fraud training:** We have also implemented training sessions to raise awareness and empower teams on cybercrime and fraud.
- > **Whistleblowing systems:** A first professional whistleblowing system, the Ethics Hotline, was established in 2016 for our activities in North America, and a second similar tool, the Compliance Hotline, was introduced for other countries in 2018. This system, hosted by a third-party service provider, enables Tarkett's employees and any third party to raise their concerns and/or report potential violations with Code of Ethics and Anti-corruption

Code of Conduct they may witness within Tarkett, including in an anonymous way if they wish to. Deployment of the system was subject, in certain countries, to the approval of local works councils. These whistleblowing systems are presented and explained in all the compliance training modules and a specific procedure for the alert systems is available on Tarkett's Internet and Intranet site. In 2021 an internal communication campaign was launched to promote the system with emails, newsletters, and digital posters

**Example**

**Our Compliance Hotline: a tool for conveying concerns to Tarkett**

- > Easy access on the internet and the company intranet or by phone from 150 countries in 200 languages.
- > Accessible to all Tarkett's employees, business partners (suppliers, clients, etc.) and other third parties.
- > To report any type of violation related to, for example, antitrust, conflict of interest, corruption, fraud, harassment, discrimination, environmental damage, etc.
- > Presented for consultation to Tarkett's Works Councils in countries where local law enforces it.
- > Supported by a platform to ensure the protection of whistleblowers.
- > Guaranteeing the confidentiality of cases.

The compliance section of Tarkett's intranet provides all employees who have intranet access with readily available information on business ethics, including the main principles on competition law, anti-corruption, the whistleblowing procedures, and Tarkett's professional alert mechanisms (Compliance Hotline and Ethics Hotline), as well as the Supplier Code of Conduct. Similar information is publicly disclosed on Tarkett's Group website.

Compliance risks are included in the controls and work programs of the internal audit department.



Remaining committed to high business and ethical standards

**Protection of personal data:** The Group is committed to protecting the personal data of its employees, customers and business partners, in compliance with applicable regulations, in particular the EU General Data Protection Regulation (“GDPR”). The Group’s legal department, in close collaboration with the IT department, has deployed a Data Privacy Compliance Program, covering notably:

- > signature of personal data protection clauses with our business partners to ensure confidentiality and data security;
- > monitoring data processing activities in internal records;
- > privacy impact assessment (PIA) for new processing activities presenting potential privacy risks;
- > clear and easily accessible data privacy information provided to our customers, business partners and employees;
- > deletion of personal data when no longer needed, in particular using automatic data purges;
- > reinforcement of awareness-raising actions and training for employees most exposed to data privacy risks.

#### **Cybersecurity:**

The Group uses complex information systems (notably for production management, sales, logistics, accounting, and reporting), which are essential for conducting its commercial and industrial activities. Recognizing that a failure of any one system could have a material adverse effect on the Group’s business, Tarkett has procedures, tools, and trainings in place to continually strengthen the security of its information systems. These include an IT Charter governing the use of IT equipment and explaining Tarkett’s IT department monitoring activities and use of personal data; a global IT Security policy setting out the key measures and procedures to ensure IT security; a leaflet describing the 5 key security measures and a specific leaflet on detecting and avoiding fraudulent emails. In 2021 Tarkett continued to focus on raising employee awareness on cybersecurity through regular messages, guidance, and training. Other measures were also taken to reinforce protection, such as strengthening the authentication and identity security with MFA (Multi Factor Authentication) for collaborative solutions in addition to existing MFA for remote

connections; improving the means of detection and response with an EDR tool (Endpoint Detection and Response) and a SIEM (Security and Information Events management) covering Tarkett’s IT equipment; and implementing a security posture evaluation of third-party providers. A “Cybersecurity Council” was also established to support Tarkett’s cybersecurity strategy and strengthen the collaboration and cooperation between entities on cybersecurity matters. In the UK, Tarkett obtained the UK Cyber Essentials certification, this is a government backed scheme that demonstrates protection against a whole range of the most common cyber-attacks. Further details on cybersecurity are given in Chapter 6 “Risk factors and internal control” of the 2021 Universal Registration Document.

**Responsible tax practices:** As part of its activities, Tarkett does not resort to complex financial arrangements aiming at obtaining a tax benefit conflicting with the purpose or the aim of applicable tax law. Tarkett does not have legal entities in any of the nine countries of the European Union (EU) black-listed tax havens, which include countries refusing to engage a dialogue with the EU or to remedy shortcomings in terms of good tax governance. With regard to the 15 countries of the EU grey-listed tax havens, which include countries committed to comply with international standards but having signed less than twelve agreements, Tarkett has a commercial legal entity in Turkey, which includes production and another in Hong Kong.

The list of these countries, updated as of 5<sup>th</sup> October 2021, is available at the following link:

[https://ec.europa.eu/taxation\\_customs/common-eu-list-third-country-jurisdictions-tax-purposes\\_en](https://ec.europa.eu/taxation_customs/common-eu-list-third-country-jurisdictions-tax-purposes_en).

In the EU, Tarkett operates in Luxembourg since 1961 (where it has a vinyl flooring manufacturing site and a research and development center employing over 500 employees) and in the Netherlands (where it has one carpet manufacturing site and sales activities employing less than 400 employees). Finally, it is specified that the Tarkett Group has not signed any tax rescript with tax authorities in its different countries of operation.

Further details on tax practices and associated fiscal risks are provided in Chapter 6 “Risk factors and internal control” of the 2021 Universal Registration Document.

Remaining committed to high business and ethical standards

### 3.2.4.2 Preventing corruption

In line with the requirements of the French anti-corruption law ("*Loi Sapin 2*") and the guidelines of the Anticorruption French Agency (AFA), Tarkett has implemented a Corruption Prevention Program, which provides a framework to our teams and business partners globally and which includes the following components:

- > **A corruption risk mapping** exercise was initiated in 2017, updated in 2019 and redesigned in 2020. The risk identification and assessment process was based on interviews of 81 internal stakeholders covering the whole range of Tarkett activities and processes worldwide. The risk mapping is continually expanded and updated annually based on elements gathered through additional interviews and/or potential alerts or incidents and/or NGO reports we have been informed about. The granularity of the assessment is thus refined as these elements are collected by Tarkett. In 2020, an important update of the corruption risk mapping was undertaken to identify and then assess risks in a more refined and relevant way and to take into account the latest requirements of the French Anticorruption Agency.
- > The **Anti-corruption Code of Conduct**, which was developed and rolled-out in 2018 in replacement of the Anti-corruption Policy, defines clear guidelines allowing our teams to identify and prevent inappropriate behavior in terms of corruption and influence peddling. This code lists prohibited practices (illegal payment, facilitation payments and political contributions), practices governed by strict rules (gifts and invitations, donations to charities, sponsorships, interest representation and/or lobbying action), and practices to be followed internally (proper and exact accounting, declaration of conflict of interest) and with our business partners (anti-corruption contractual clauses, implementation of due diligence procedures, use of intermediaries). The Code was reviewed and updated in 2021 following the latest findings of our regular corruption risk mapping exercise. Every employee is fully informed that non-compliance with any one of the provisions listed in the Anti-corruption Code of Conduct may give rise to disciplinary sanctions, including dismissal.
- > The **whistleblowing systems** implemented with the Compliance Hotline in 2018 complementing the Ethics Hotline deployed in 2016 in the United States and in Canada. The systems are supported by the Whistleblowing Procedure to enable employees, business partners and other third parties to report any corruption-related concern.
- > The **assessment of our business partners**: Tarkett performed an assessment of its suppliers as part of our **Responsible Sourcing Program** (see section 3.9.1.1 Deploying our responsible sourcing program) as well as anti-corruption due diligences on some of its intermediaries, clients and suppliers. In 2019, Tarkett retained a specialized service provider to assist with the anti-corruption evaluation of its business partners. This third-party due diligence program continued in 2021 with additional IT resources.
- > An **Anti-corruption Accounting Control Procedure** relating in particular to gifts, invitations, business meals, donations, sponsorships and intermediary commissions was set up in 2020 and is deployed throughout the Group.
- > **Control procedures** on corruption risks are included in the work program of the internal audit department. We implemented additional controls from 2020 on gifts, invitations, donations, sponsorships, and intermediaries to focus on corruption issues. Second-level anti-corruption controls on gifts, invitations, business meals, donations, sponsorships, intermediaries, conflict of interest, and purchases, were performed in 2021 by the Compliance Officer and the Finance department.
- > An **Anti-corruption training program**, targeting all Tarkett employees considered most at risk in terms of corruption by their function, covering anti-corruption practices in general, and reminding our teams of good practices in this regard, with a particular focus on use of intermediaries, gifts and invitations, and donations to charities. Anti-corruption workshops are also organized for specific audiences.
- > The **Anti-corruption committee** which was established in 2020 is composed of the CEO, CFO, Group General Counsel, Group Internal Audit Director, and the Compliance Officer. The role of this committee, which meets once every two months, is to define the Group strategy in the deployment of its Anti-corruption program.

### 3.3 CSR risks and opportunities

At our scale and with our resources, we are committed to positively contributing to tomorrow's changes and challenges:

WORLD'S CHANGES	CHALLENGES TARKETT CAN CONTRIBUTE TO
<p>By 2050, one in six people in the world will be over age 65 (16%), up from one in 11 in 2019 (9%) according to the UN, and nearly two thirds of this population will live in cities, according to the United Nations.</p>	<p><b>Increase of the population</b> and of the share of <b>elderly people in the cities</b>, along with expectations and challenges regarding <b>quality of life</b> (indoor air quality, healthy spaces, comfort, acoustics, spaces flexibility and modularity, etc.).</p>
<p>With a global population expected to reach 9.7 billion people by 2050, according to the UN, and aspiring for a better quality of life, the pressure on natural resources will continue to rise and become an even greater critical issue in the future. The United Nations Environment Program (UNEP) 2019 Resource Panel report found that global resource use has more than tripled since 1970 to reach 92 billion tons in 2017 and projects that without action resource use will more than double to 190 billion tons by 2060.</p>	<p><b>Scarcity of natural resources and waste management</b>, issues which challenge the linear economy model (based on production, use and disposal of a product) and call for the <b>development of a circular economy model</b>, where waste becomes a resource, and where a product can be reused or transformed into a new resource. The use of eco-design principles makes it possible to select abundant raw materials on the one hand and to build products that are easily reusable or recyclable on the other hand.</p>
<p>In 2021 the UN COP26 in Glasgow (UK) recognized that the impacts of climate change will be much lower at the temperature increase of 1.5°C, however that limiting global warming to 1.5°C requires rapid, deep and sustained reductions in global GHG emissions. The UN Secretary General called for accelerated action to keep alive the goal of limiting global temperature increase to 1.5°C asking every country, every city, every company, every financial institution to radically, credibly and verifiably reduce their emissions. With UNEP reporting in 2021 that 37% of energy related CO2 emissions in 2020 came from the building and construction sector (Global Status Report for Buildings and Construction, 2021 UNEP Global Alliance for Buildings and Construction). The UNEP Executive Director called for more bio-based and recycled materials and a move towards circularity in the building and construction sector.</p>	<p><b>Reduce greenhouse gas emissions</b> by reducing our energy consumption and using renewable energy sources. We can reduce, both, our greenhouse gas emissions in our production cycle, and the emissions along the whole value chain, with the implementation of a circular economy model, <b>using more recycled materials</b> which are less energy intensive than extraction and transformation of virgin materials, increasing the lifespan of our products, recycling after use instead of incineration which emits more CO<sub>2</sub> and by limiting the distance necessary to deliver with production sites close to our clients. <b>Recycling flooring waste is essential to reducing climate impact</b>. As well as saving virgin raw materials it has a substantial contribution to avoiding GHG (greenhouse gas) emissions as it avoids valuable waste heading to landfill or incineration.</p> <p>We can also influence change on our value chain by selecting suppliers which have a lower carbon footprint, by raising our customers' awareness and by offering them the choice to select our products with the lowest carbon footprint.</p>
<p>The society is constantly evolving, and so are its expectations, with the Millennials and Generation Z living in a hyper-connected world with growing concerns, notably about the climate and environment, diversity, ethics, and the importance of having a positive impact on society, etc.</p>	<p><b>Play an active role in responding to societal challenges, such as reducing the carbon footprint of our products and building a circular economy</b>, respecting ethical and compliance values, and promoting transparency and proximity with local communities, and the development and diversity of talents.</p>

As one of the world's leading flooring and sports surfaces companies, Tarkett is committed to contribute, at its scale, in achieving the fundamental changes required to address these challenges, which generate various risks and opportunities.

Identifying and assessing CSR risks and opportunities

### 3.3.1 Identifying and assessing CSR risks and opportunities

Tarkett identifies CSR risks primarily through our company risk mapping process, which is managed by the Internal Audit and Control department and which covers the range of financial and extra-financial or environmental, social and governance (ESG) related risks applicable to our activities. This mapping exercise, initiated in 2011, is updated every other year or more frequently in the case of significant changes. The process for identifying risks uses primarily a three-step method:

- > the Internal Control and Audit Department, sometimes in collaboration with external experts, interviews members of the Executive Management Committee and key employees holding strategic positions at the Group and Division level in order to identify risks within their areas;
- > the qualification and quantification of risks according to the following areas: precise definition, possible causes, impact assessments (financial, operational, strategic, legal, or reputational) and the degree of control by the Group;
- > the review and validation of the risk mapping by the Executive Management Committee and presentation to the Audit, Risk and Compliance Committee, as well as to the Supervisory board.

In 2021 there were no major evolutions in Tarkett's risk mapping. In 2020, given the emergence of certain risks and the global health crisis, an in-depth review of the group's risk mapping had been carried out to reassess individually each risk and integrate any new potential or proven risks. This process saw the risk of the COVID-19 pandemic being added to Tarkett's list of material risks. The entire process was carried out through 25 interviews with members of the Executive Management Committee and other key managers. In this context, each risk was reviewed to assess:

- > their occurrence over a recent period of time;
- > the state and effectiveness of mitigation efforts and
- > the level of the potential absolute and residual impacts.

The feedback from other operational initiatives to identify and evaluate risks are also considered:

- > At manufacturing sites, Health, Safety and Environmental (HSE) risks are identified and evaluated locally in accordance with our World Class Manufacturing program (which includes annual site audits by a third-party consultant – ERM) and through the management systems for health and safety (ISO 45001), environment (ISO 14001) and energy (ISO 50001), which are implemented at most of our sites (see List of plant ISO certifications in Appendix);
- > At supply chain level, a procurement CSR risk mapping covering the vast majority of our suppliers was completed in 2018 in partnership with a company specialized in sustainability ratings and supply chain intelligence (see section 3.7.1.1 Promoting good and positive practices along the supply chain);
- > A specific corruption risk mapping, developed in 2017 in line with the requirements of the "Loi Sapin 2" was reviewed and updated in 2019 (as previously described in section 3.2.4.2 Preventing corruption) and again in 2020 to meet the latest requirements of the French Anti-Corruption Agency;
- > Finally, Tarkett participated in an assessment, conducted by Trucost (S&P Global) in 2018, of its performance in light of the Sustainable Development Goals (SDG) defined by the United Nations. This provided insight to our exposure, risk mitigation and positive impact regarding the most relevant SDGs for our activities.

Identifying and assessing CSR risks and opportunities

**Focus**

**Focus on climate-related disclosure according to Task Force for Climate-related Financial Disclosures (TCFD) recommendations**

**Risk management & Governance**

Climate-related risks are identified and assessed as part of Tarkett's multi-disciplinary company-wide risk management process (see section 6 Risk factors and internal control). "Climate change and damage to the environment" is one specific risk factor that is considered material based on Tarkett's assessment of its level of impact and the probability of occurrence. Other potentially climate-related risks are also taken into consideration in other material risk factors such "downtime, disruptions, damage on site" and "deployment of the transition to a circular economy". Risk mapping takes into consideration direct operations as well as upstream and downstream value chain risks.

The Executive Management Committee has overall responsibility for organizing and overseeing risk management, including risk mapping and assessment, risk mitigation as well as internal control and audit. Each member of the Executive Management Committee ensures the implementation of continual risk monitoring, controls, and mitigation in their realm of responsibility.

In 2021 Tarkett completed an in-depth review of the impact of Tarkett's activity on the climate and the impact of climate on Tarkett's activity. This work, which was undertaken with the assistance of Carbone 4, an independent climate consulting firm, led to Tarkett revising its climate objective to be aligned with the aim of limiting the global temperature rise to 1.5°C, consistent with the Paris Agreement. The work included using quantitative scenario-based foresight analysis to measure activity against different future scenarios, identifying the risks and opportunities in each scenario and assessing the resilience of the business. The findings of this double materiality risk and opportunity mapping were presented to Tarkett's new Supervisory Board's CSR Committee.

**EU Taxonomy**

In addition to the review of climate-related risks, Tarkett examined, in 2021, the implications of the EU Taxonomy. The EU taxonomy is a classification system, establishing a list of environmentally sustainable economic activities with the aim of helping the EU scale up sustainable investment and implement the European green deal. The EU taxonomy

provides companies, investors, and policymakers with appropriate definitions for which economic activities can be considered environmentally sustainable. The first Delegated Acts, adopted in June 2021, set out a list of economic activities in the sectors that are considered most relevant for addressing climate change mitigation and climate change adaptation and thus having the potential to make a substantial contribution to the EU's environmental goals on climate. Our initial analysis of Tarkett's principal activities based on NACE codes<sup>1</sup> (European Nomenclature of Economic Activities) found flooring and sports surface manufacturing not to be covered by these Climate Delegated Acts. However, we understand that the European Commission is continuing to provide guidance and clarification on the interpretation of the list of activities which are eligible. As such Tarkett will review its analysis in the coming year, in the light of new guidance, to see if any of Tarkett's activities can indeed be considered eligible to the Taxonomy criteria on climate objectives. In all cases, Tarkett remains strongly committed to contributing to climate mitigation, notably materialized in 2021 by the new objective to reduce whole value chain GHG emissions (For more details see section 3.7 Responding to the climate emergency with good environmental management and a circular economy approach).

EU Taxonomy - Climate Delegated Act (Climate mitigation & adaptation)	Turnover (Net revenue in millions of euros)	%
A. Taxonomy eligible activities	0	0%
B. Taxonomy non-eligible activities	2,792	100%
Total (A+B)	2,792	100%

**The company risk mapping** is also completed with an evaluation of the probability of each risk materializing in the next five years to further qualify the materiality of the risks in accordance with the EU Prospectus Regulation (EU 2017/1129) and the European Securities and Market Authorities guidelines published in 2019. The risk mapping identified 17 material risks, which are presented in Chapter 6 "Risk factors and internal control" of the 2021 Universal Registration Document, including 5 ESG risks (ethics and integrity in business conduct; climate change and damage to environment; deployment of the transition to a circular economy; product safety and quality and talent retention and recruitment of key employees) and a number of other ESG-related risks (e.g. worker health, safety and security; downtime, disruptions, damage on site; flooring market changes; raw material price volatility; supplier dependency; evolution, complexity and interpretation of tax regulations; IT and cybersecurity and COVID-19 pandemic) which are also covered in this CSR report.

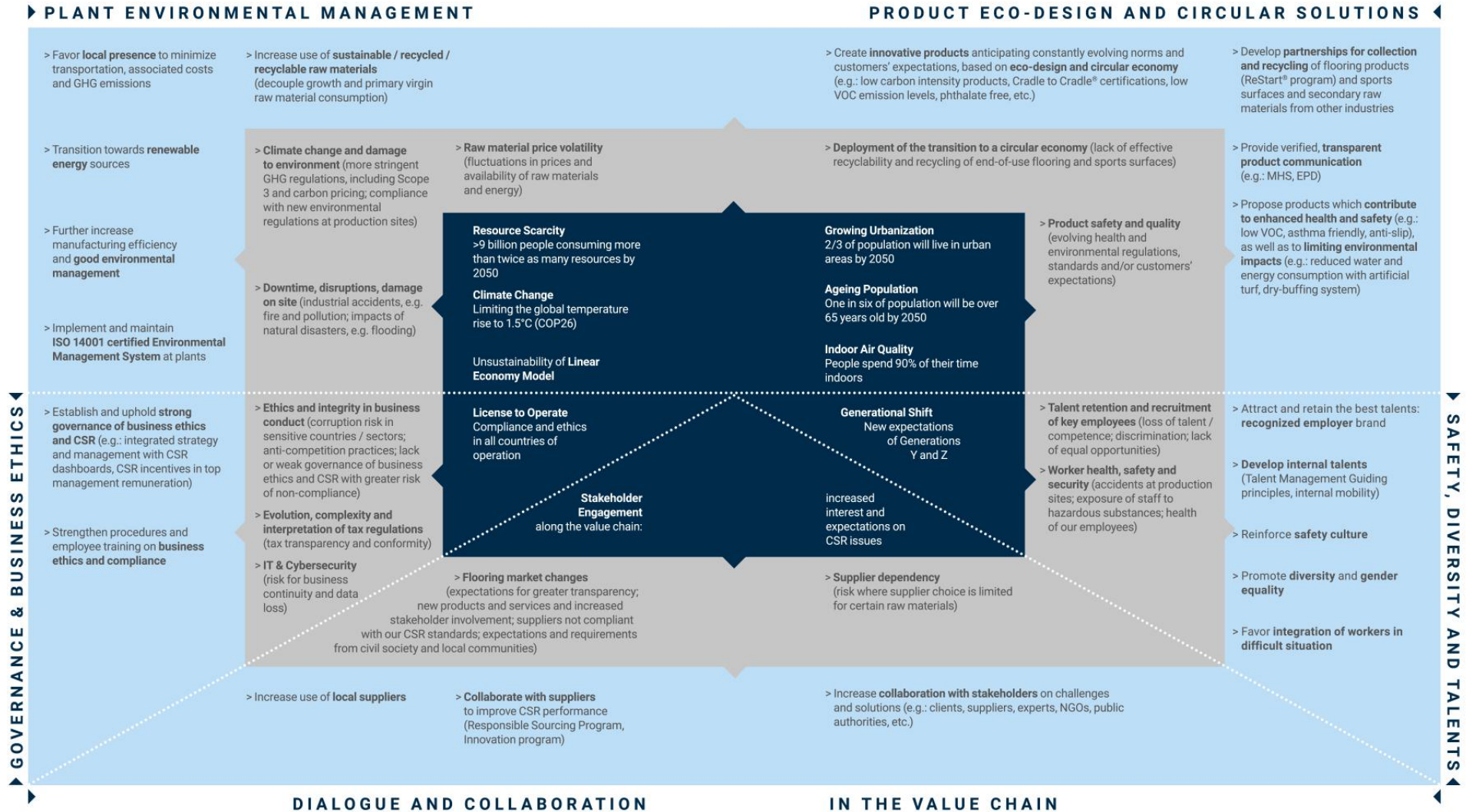
<sup>1</sup> C13.93 Manufacture of carpet and rugs (including artificial turf), C16.22 Manufacture of assembled parquet floors, C22.19 Manufacture of other rubber products, C22.23 Manufacture of builders' ware of plastic

Mapping key challenges, risks and opportunities

### 3.3.2 Mapping key challenges, risks and opportunities

#### Mapping of major challenges, risks and opportunities

Worldwide Challenges Risks for Tarkett Opportunities for Tarkett



## Mapping key challenges, risks and opportunities

The main worldwide challenges and ESG and ESG-related risks applicable to Tarkett (as identified by Tarkett's Risk Mapping and other risk identification and evaluation initiatives previously described), along with resulting opportunities, are summarized in the above infographic.

## Focus

## Focus on climate-related disclosure according to Task Force for Climate-related Financial Disclosures (TCFD) recommendations

## Strategy – climate-related risks and opportunities

The following climate-related risks and opportunities have been identified by Tarkett as material, either in the short (up to 2 years), medium (2-5 years) or long-term (5-20 years):

- > The risk of Tarkett on climate through excessive growth of GHG emissions from operations (use of fossil fuels) and/or from upstream and downstream activities associated with its products (i.e. product life cycle GHG emissions)
- > The risks of climate change on Tarkett are mainly transition risks, such as:
  - Current and emerging regulation, including potential future regulation on tracking, and reducing Scope 3 emissions, future carbon taxes, extended producer responsibility and minimum recycled content.
  - Technology, for example access to / development of necessary technology to enable Tarkett to meet growing market demand of low-carbon circular flooring products.
  - Market changes, related for example: to downstream risk / opportunity of end users preferring alternative flooring products driven by climate-related issues; to raw material price volatility with upstream and operational risks of raw material availability and costs evolving due to climate-related issues and due to the transition to a low-carbon economy; to increased demand for low carbon products; and to circular economy regulatory and market requirements potentially generating increased demand for circular / recycled and recyclable flooring products.
  - Reputation, associated to not achieving our climate-related objectives or to losing the trust of our customers on Tarkett's commitments. The risk of Tarkett's activity on climate: direct and indirect GHG emissions from operations (use of fossil fuels and purchased electricity) and more critically from indirect GHG emissions associated to upstream and downstream activities (i.e. product life cycle GHG emissions).
- > **Opportunities include:**
  - To reduce indirect operating costs through production efficiency, and notably actions to improve energy efficiency, reduce greenhouse gas emissions and to increase the use of recycled raw materials.
  - To increase revenues resulting from increased demand for low carbon products which are recyclable and where circular solutions are available. Tarkett believes that adopting a closed-loop circular economy approach will help it limit raw material costs, secure raw material sourcing, limit greenhouse gas emissions and meet growing customer demand for responsible products.

## Managing risks

### 3.3.3 Managing risks

Our systematic and integrated approach towards risk management, which includes CSR risks, is based on the following steps:

- > Presentation of updated Tarkett's Risk Mapping to the Executive Management Committee for approval and follow-up.
- > Regular presentation to the Audit, Risk and Compliance Committee, which is in charge of ensuring the effectiveness of risk-monitoring and internal control procedures as well as presentation of CSR risks and opportunities to the CSR Committee.
- > Integration of the review of risks and controls into the work programs of the internal audit department.

The Group CSR strategy and policies developed to manage our material CSR risks and challenges are defined at the Executive Management Committee level, then implemented at Division and function level, and finally at the level of sites/networks in each country. Different programs support the deployment of these CSR policies, such as World Class Manufacturing (WCM) for operations; Cradle to Cradle® (C2C) principles for eco-design; Innovation programs for climate and circular economy, and health and well-being; and ReStart® for take-back and recycling; or Talent Management Guiding Principles.

Our policies and initiatives intended to manage CSR risks and challenges, their objectives and results, and the related key performance indicators are described in detail in the relevant sections of this CSR Report 2021, namely:

- > **Section 3.2** CSR governance, for risks and issues related to governance and business ethics
- > **Section 3.5** Stakeholder engagement, for risks and issues related to anticipating and responding to stakeholder expectations, and collaborating with the value chain
- > **Section 3.6** Meeting customer and societal expectations through eco-design, transparency and circular solutions, for risks and issues related to the environmental and health impacts of our products along the value chain
- > **Section 3.7** Responding to the climate emergency with good environmental management and a circular economy approach, for risks and issues related to climate change

- > **Section 3.8** Creating solutions for greater indoor air quality and safe, healthy spaces for our customers, for risks and issues related to the health and safety impacts of our products
- > **Section 3.9** Driving Collaboration in the value chain and in communities, for risks and issues related to our suppliers and our activities within local communities
- > **Section 3.10** Nurturing our human capital, for risks and issues related to our employees

Concerning the risk "COVID-19 pandemic", our initiatives intended to manage the risks and opportunities related to the ESG aspects of this risk are described throughout this chapter and in particular detailed in the following sections:

- > **3.8.2** Participating to people's well-being
- > **3.9.2.3** Giving time, assistance and other contributions to local communities: Tarkett Cares
- > **3.10.2** Caring for the health and well-being of our workforce

#### Example

##### Focus on our World Class Manufacturing (WCM) operational excellence program

World Class Manufacturing (WCM) is a continuous improvement program, focused on improving employee's safety, reinforcing customer service and quality, reducing the impact of the Group's operations on the environment while optimizing resource management, and improving industrial performance.

WCM is applied globally in almost all our plants and distribution centers using a proven methodology, with structured tools, a central dedicated team at Group level, and local division coordinators who help reach objectives defined by local teams, through coaching, training and sharing of best practices. Completion of internal WCM audits enables the teams to monitor the progress of production sites and to define action plans.

In 2021 Tarkett decided to evolve our WCM system for more simplicity, leadership, and results. Notable improvements include defining more clearly our vision and targets as well as the path to follow. Developing maturity roadmaps focused on fundamentals and linked to standards and training. Sharing leadership topics with the Executive Management Committee to enable their support of the change. The transition started in 2021 and will be completed in 2022.



Assessing the materiality of CSR issues for Tarkett




### 3.3.4 Assessing the materiality of CSR issues for Tarkett

The materiality assessment helps identify and specify the material CSR issues and challenges for Tarkett, in other words the most important issues in the context of the Group's activities, their impact on our business model and our stakeholders' expectations.

In 2016, a survey was completed to determine the material topics for Tarkett and ensure that our CSR strategy and our objectives were aligned with them. **Each year we maintain regular dialogue with our stakeholders** (section 3.5 Stakeholder engagement), listening to their concerns, desires, and expectations. In this way we ensure our actions, and our priorities are adapted to meet the material challenges and opportunities. For example, we note that the risks relating to the environment (implementation of new standards to limit global warming and to reduce the use of fossil resources) are today considered to be more significant than in 2016.

The stakeholders' mapping was completed followed by a survey that was sent to both external stakeholders (customers, suppliers, sales partners, NGOs, trade organizations, experts, research, and educational institutions, etc.) and internal stakeholders (members of the Tarkett Supervisory Board and the Executive Management Committee, Tarkett employees). The survey involved stakeholders based in France, Germany, the Netherlands, Serbia, Sweden, Russia, the United Kingdom, and the United States. The survey covered key topics included in the GRI Standards and Cradle to Cradle® principles, organized into five categories: the environmental impacts of production, responsible products, work, human rights, and societal issues.

Four specific issues emerged from the 2016 survey and are still considered, **along with responding to the climate emergency**, to be among the most material CSR topics for Tarkett: health and safety at work, health and safety related to products and materials, the environmental impact of products, and responsible use of materials and resources.

	 <b>Environmental impacts of production</b>	 <b>Product Stewardship</b>	 <b>Labor, Human Rights &amp; Societal issues</b>
<b>Priority topics for both external and internal stakeholders, and relevant for Tarkett's activities</b>		Environmental impact of products Health & Safety of products and materials Resource and material use	Health & Safety at work Child Labor (a key priority for external stakeholders, but not a potential risk for Tarkett activities)
<b>Other priority topics for internal stakeholders</b>	Energy Consumption Production waste	Cradle to Cradle® principles Recyclability of products	Training and talent development Anti corruption
<b>Other topics of importance</b>	Air emissions from production Waste water from production Assessment of suppliers on environmental topics	Transparent marketing communication	Support for local job and income Assessment of suppliers on human rights Forced Labor Diversity, equality, non-discrimination, labor rights

When comparing the materiality matrix with our CSR risk mapping, it is clearly visible that priority topics and other topics of importance identified by the materiality assessment in 2016, along with action on climate mitigation, are covered by and consistent with the identification of our CSR risks and opportunities.

## 3.4 Duty of care / Vigilance plan

In line with the requirements of Article L. 225-102-4 of the French commercial code ('Code de commerce'), Tarkett develops and implements a vigilance plan to identify risks and prevent potential violations of human rights and fundamental liberties, adverse impacts on the health and safety of people and on the environment. This vigilance plan covers the Company's activities, as well as activities of our subcontractors and suppliers with whom an established commercial relationship is maintained. This vigilance plan is incorporated into the Group's CSR strategy and policies, as described hereafter.

### Risk mapping

Our CSR risk identification process and mapping are described in detail in section 3.3 CSR risks and opportunities. Tarkett's Risk Mapping covers risks related to health, safety and environment (HSE), as well as human rights as follows:

- > At Group level, HSE risks are identified and evaluated by the Audit Department and the Compliance Officer in collaboration with the Chief Sustainability Officer and the Group Safety Director.
- > At manufacturing sites, HSE risks are identified and evaluated locally in accordance with our WCM program and through the management systems implemented at most of our sites<sup>1</sup>: ISO 45001 for health and safety aspects, ISO 14001 and ISO 50001 for environmental and energy aspects. Human rights risks have not been assessed as significant for activities at our production sites to date. We are however aware that current geopolitical trends can generate new risks (e.g. risk of modern slavery related to vulnerable populations such as migrants), to identify and take into consideration as they appear.
- > At supply chain level, a procurement CSR risk mapping covering the vast majority of our suppliers was completed in 2018 in partnership with a company specialized in sustainability ratings and supply chain intelligence, and includes HSE risks, as well as those related to a potential violation of human rights, among others (see section 3.9.1.1 Deploying our responsible sourcing program).

### Assessment procedures

At manufacturing sites, the assessment of HSE risks are conducted internally on a continual basis as per the procedures and guidelines of our WCM program (see section 3.3.3 Managing risks ). In addition, our sites are regularly audited on environmental compliance by a third-party (ERM), and most of our sites are subject to surveillance and re-certification audits for ISO 45001, ISO 14001 and additionally in some cases ISO 50001.

<sup>1</sup> See full list of plant ISO certifications in Appendix

At supply chain level, the third-party supplier CSR evaluation by EcoVadis, which started in 2019, continued in 2021 as part of our responsible sourcing program. Assessed suppliers are selected based on the outcomes of the procurement CSR risk mapping, in parallel to the deployment of the Supplier's Code of Conduct (see section 3.9.1.1 Deploying our responsible sourcing program).

### Alert mechanism

The Compliance Hotline implemented in 2018 and accessible from 150 countries, and the Ethics Hotline in the United States and in Canada, allow alerts on any potential breaches found or observed within Tarkett, in particular relating to human rights, health, safety and the environment (see section 3.2.4.1 Ensuring business ethics and integrity).

### Actions and monitoring scheme

Our objectives and actions / initiatives implemented to prevent risks covered by the vigilance plan, as well as the related key performance indicators enabling to assess the efficiency of implemented measures and their results, are described in detail in the relevant sections of this CSR Report 2021, namely:

- > Section 3.2 CSR governance, for managing risks related to human rights, business ethics and compliance
- > Section 3.5 Stakeholder engagement, for managing risks related to anticipating and responding to stakeholder expectations, and collaborating with the value chain
- > Section 3.6 Meeting customer and societal expectations through eco-design, transparency and circular solutions, for managing risks related to the environmental and health impacts of our products along the value chain
- > Section 3.7 Responding to the climate emergency with good environmental management and a circular economy approach, for managing risks related to the climate
- > Section 3.8 Creating solutions for greater indoor air quality and safe, healthy spaces for our customers, for managing risks related to the health impacts of our products
- > Section 3.9 Driving Collaboration in the value chain and in communities, for managing risks related to our suppliers
- > Section 3.10 Nurturing our human capital, for managing risks related to our employees' health and safety

## 3.5 Stakeholder engagement













In order to positively impact not only people's daily lives but also the generations to come, we have to start with a profound understanding of people, those who create with our products, those who rely on them and those who care for them. Having a deep human understanding is thus one of the key commitments of the Tarkett Human-Conscious Design® initiative.

Tarkett recognizes that constant dialogue and engagement with the whole value chain and wider community is essential to achieve its objectives of best serving its customers and contributing to addressing societal challenges. In this respect, Tarkett proactively engages

with stakeholders on a wide variety of topics, such as building a circular economy, designing for diversity, rethinking the workplace, preparing hospitals for the future, or sustaining the game with sustainable solutions for sports surfaces.

Tarkett facilitates this dialogue and engagement locally by creating in each country multiple occasions to meet, to listen, to share, to inform and to learn with all those interested in Tarkett's products, services, and activities. The following table highlights the principal ways that Tarkett engages dialogue and collaboration with its stakeholders.

Our stakeholders	Principal means of dialogue	Frequency (up to 4/yr   5-12/yr   >12/yr)	Section for more information in this report
<b>Customers, architects, designers, installers, and end-users</b>	<ul style="list-style-type: none"> <li>&gt; Social media, internet, email</li> <li>&gt; Tarkett showrooms</li> <li>&gt; Tarkett Academy &amp; continual professional development (CPD)</li> <li>&gt; Transparency tools: Material Health Statements (MHS®), Cradle to Cradle® certification, specific Environmental Product Declarations (EPDs), Asthma and Allergy friendly® certification, and other product certifications and information tools</li> </ul>		3.5, 3.6, 3.7, 3.8, 3.9
	<ul style="list-style-type: none"> <li>&gt; Product brochures and documentation</li> <li>&gt; Tarkett ReStart® take-back and recycling program</li> </ul>		
	<ul style="list-style-type: none"> <li>&gt; Conferences, exhibitions, trade shows (both physical and virtual)</li> <li>&gt; Tarkett hosted webinars</li> </ul>		
	<ul style="list-style-type: none"> <li>&gt; Tarkett Green Tours presenting our sustainability approach and initiatives on our production sites in Narni (Italy), Clervaux (Luxembourg), Ronneby (Sweden), Sedan (France), Waalwijk (the Netherlands) and Otradny (Russia)</li> </ul>		
	<ul style="list-style-type: none"> <li>&gt; White papers</li> </ul>		
	<ul style="list-style-type: none"> <li>&gt; Supplier assessments (such as EcoVadis CSR assessment)</li> </ul>		
	<b>Employees, other workers, schools and universities</b>		
<ul style="list-style-type: none"> <li>&gt; Tarkett-Inside intranet &amp; Workday</li> </ul>			
<ul style="list-style-type: none"> <li>&gt; Internal communities (e.g. Safety, Environment)</li> </ul>			
<ul style="list-style-type: none"> <li>&gt; Employee Resource Groups</li> </ul>			
<ul style="list-style-type: none"> <li>&gt; Job fairs and career section of corporate website</li> </ul>			
<ul style="list-style-type: none"> <li>&gt; Internal newsletters</li> </ul>			
<ul style="list-style-type: none"> <li>&gt; Focus days (e.g. Global Safety day, Earth Day, World Climate Day ...)</li> </ul>			
<ul style="list-style-type: none"> <li>&gt; Annual Performance and Development Dialogue</li> </ul>		3.10	
<ul style="list-style-type: none"> <li>&gt; Employee feedback surveys</li> </ul>			
<ul style="list-style-type: none"> <li>&gt; Internal webinars</li> </ul>		3.10	
<ul style="list-style-type: none"> <li>&gt; Internal webinars</li> </ul>			

Our stakeholders	Principal means of dialogue	Frequency (up to 4/yr   5-12/yr   >12/yr)	Section for more information in this report
	<ul style="list-style-type: none"> <li>&gt; Annual meeting and quarterly conference calls on financial and CSR topics for senior executives</li> <li>&gt; Social dialogue with worker representatives, such as with the Tarkett Forum in Europe</li> <li>&gt; Partnerships with local schools / universities</li> </ul>		
Suppliers, service providers and other business partners	<ul style="list-style-type: none"> <li>&gt; Responsible sourcing program: supplier code of conduct, supplier CSR assessment, raw material assessments</li> <li>&gt; ReStart® take-back and recycling program</li> <li>&gt; Third-party recycling programs (e.g. Valobat in France, Carpet America Recovery Effort in US, AgPR in Germany)</li> <li>&gt; Circular economy partnerships and collaborative projects</li> </ul>		3.6, 3.7, 3.9
	<ul style="list-style-type: none"> <li>&gt; Tarkett Innovation Challenge</li> </ul>		
Shareholders, investors, creditors, and the financial community	<ul style="list-style-type: none"> <li>&gt; Tarkett websites (<a href="https://www.tarkett-group.com">https://www.tarkett-group.com</a>) with dedicated information on health and well-being, climate and circular economy, and social responsibility</li> <li>&gt; Response to questions on ESG topics from investors, proxy advisors, analysts, and rating agencies</li> <li>&gt; Roadshows and presentations to investors and asset management companies</li> <li>&gt; Supervisory Board and its special committee on CSR</li> <li>&gt; Shareholder's Annual General Meeting</li> <li>&gt; Financial statements / Universal Registration Document / CSR Report</li> <li>&gt; Investor days</li> </ul>	  	3.1, 3.5
Trade associations, business networks, academic and scientific institutions	<ul style="list-style-type: none"> <li>&gt; Industry trade and professional associations (e.g. European Plastics Converters, European Parquet Federation, European Resilient Flooring Manufacturers' Institute – ERFMI, Vinyl Sustainability Council)</li> <li>&gt; Scientific institutes and experts (e.g. Cradle to Cradle Products Innovation Institute, Environmental Protection Encouragement Agency – EPEA and Carbone 4)</li> <li>&gt; Industry projects (e.g. EU Circular Plastics Alliance, ERFMI Circular Economy Platform)</li> <li>&gt; Think tanks (e.g. Ellen MacArthur Foundation Network, Globe EU Bee Group, Circular Sweden and Cireko in Sweden)</li> <li>&gt; Research projects</li> </ul>	  	3.5, 3.6, 3.7
Public authorities, intergovernmental, non-governmental and not-for-profit organizations	<ul style="list-style-type: none"> <li>&gt; Conferences, webinars, and other meetings</li> <li>&gt; Industry projects and initiatives (e.g. Green Building Councils, Asthma and Allergy organizations)</li> <li>&gt; Public consultations (e.g. EU Taxonomy, EU New European Bauhaus, OECD Sustainability Criteria for Plastics Design)</li> <li>&gt; Public-Private projects (e.g. Circular Flooring EU, EU Circular Plastic Alliance)</li> <li>&gt; Participation to standardization work (e.g. Cradle to Cradle Certified, ISO TC323 on future ISO Circular Economy standard)</li> </ul>	 	3.5, 3.6, 3.7, 3.8
Local communities	<ul style="list-style-type: none"> <li>&gt; Tarkett Cares community initiatives</li> </ul>		3.7, 3.9
	<ul style="list-style-type: none"> <li>&gt; Tarkett Green tours and other plant open days</li> <li>&gt; Local sponsorships</li> </ul>		

**Focus: Tarkett Showrooms – a place to engage with Tarkett on flooring and Tarkett Human-Conscious Design®**

Tarkett has 33 showrooms in a number of markets providing space to welcome clients, architects, designers and others to see and feel Tarkett's range of flooring solutions and to engage with Tarkett on topics from design and material choice, to installation, maintenance, indoor air quality, the circular economy, post-use recycling, and more. In 2021 Tarkett opened six new showrooms in Paris – La Défense (France), Stockholm (Sweden), Moscow (Russia), Kiev (Ukraine), Almaty (Kazakhstan), and Dubai (United Arab Emirates). These join our existing showrooms in the US cities of New York City, San Francisco, Washington DC, Atlanta, Chicago, Charlotte, Dallas, Denver, Houston, Los Angeles, and Calhoun; and in cities across western and eastern Europe and north Africa: Paris (France); London (UK); Madrid, Barcelona and Valencia (Spain); Ludwigshafen (Germany); Vienna (Austria); Waalwijk (the Netherlands); Bucharest (Romania); Sofia (Bulgaria); Bačka Palanka and Belgrade (Serbia), Zagreb (Croatia); Sarajevo (Croatia); Saint Petersburg (Russia); and Casablanca (Morocco).

The Tarkett Ateljé in Stockholm, which was inaugurated in June 2021, was designed in collaboration with the Note Design Studio. The space is created as a forum for sustainability and design talks, with a central auditorium and in a setting that showcases circular economy being put into practice. The material used comes from Tarkett's post-use recyclable product ranges, which are now presented as part of Tarkett's Circular Selection.

The Tarkett Bureau in Moscow offers 170m<sup>2</sup> of dedicated spaces for both end users and B2B buyers. Clients can browse the full range of our offer and use our cutting-edge digital tool, Tarkett iDesigner, to see mockups of installed flooring. Clients, architects, designers, and construction partners can all discuss the specifics of their projects and learn how Tarkett can best support them.

The Atelier Tarkett in Dubai was opened during the Dubai Design Week in November 2021 in the heart of the Dubai Design District. It was conceived as a hub for a vast array of stakeholders including architects and designers, specifiers, and urban planners. It provides a showroom area aimed at demonstrating the creative potential of Tarkett flooring solutions, as well as architectural and working areas to facilitate interactions, hold meetings and host talks. The new space puts the spotlight on how to change the game with circular economy strategies and making conscious choices for people and the planet.

**Focus: Sharing innovative action for a low carbon, circular economy at COP26 in Glasgow (UK)**

In November 2021 Tarkett participated to the **COP26 in Glasgow**, with Tarkett's Chief Sustainability Officer talking at an International Chamber of Commerce event about Tarkett's actions to transition to a circular economy, through notably the partnership with Ragn-Sells on developing a carbon negative mineral filler for vinyl flooring from recycled ash from Estonia (for more details see section 3.6.2.1 Working collectively towards a circular economy). Tarkett's Chief Sustainability Officer also explained how we are focused on transitioning to a circular economy during a live streamed discussion organized by Business Sweden. Following a presentation by Ragn-Sells of their project to recycle ash and capture carbon dioxide to produce calcium carbonate, Tarkett described how this solution joins other initiatives taken by the group to increase the use of recycled materials and close the loop on flooring through take-back and recycling. Tarkett also participated to another panel discussion organized by the ICC and the French Chamber of Great Britain which was moderated by the Chair of the Supply Chain Sustainability School. Here, business leaders from the built environment sector share how they are working - separately and together as an industry - to make their supply chains more sustainable.

**Focus: Transitioning to a circular economy – sharing practical solutions to spur more action**

Tarkett held and participated to a number of events promoting the transition to a circular economy, sharing Tarkett's initiatives to design for recycling, to use more recycled secondary raw materials and to develop ReStart® take-back and recycling of post-use flooring. For example, Tarkett contributed to the Circular Week in October 2021 at Swedish embassy in Poland, discussing, along with Ikea and Electrolux, on how to accelerate the Circular Economy in Poland. Circular Week is an international campaign consisting of a series of events and initiatives devoted to circular economy and sustainable development throughout Europe. Its goal is to promote the idea of a circular economy, support sustainable business models and establish cooperation between interested stakeholders. See other examples in Section 3.6.2.3 Building a circular economy together.

**Focus: Diversity in design - understanding differences to better achieve inclusion**

Tarkett in North America is actively promoting dialogue on diversity, with webinars, training and by participating to events, such as the American Institute of Architects (AIA) Washington DC pride month in June 2021, which saw Tarkett moderate a panel of industry leaders sharing their stories of empowerment and resilience through the lens of justice, equity, diversity, inclusion, and belonging. In 2021 Tarkett also embraced neurodiversity through Tarkett Human-Conscious Design® with the aim of making workplaces more inclusive through a partnership with HOK an American design and architecture firm. See section 3.8.2 Participating to people's well-being.

**Focus: Rethinking workplace – exploring how the COVID-19 pandemic is impacting workplace trends**

As part of its Great Indoors platform to inform and inspire the evolving worklife conversation Tarkett regularly conducts research and shares its latest findings. In 2020 and 2021, Tarkett tracked how people's views and experiences of work and the office changed over time, running three global surveys of 10,000 office workers in total, in collaboration with workplace consultants from WKSpace. This initiative forms part of Tarkett's ongoing research project 'Rethinking Workplace' - which was first launched long before COVID-19 to understand how changing behavioral trends might impact on office design specification. To date, we've gathered data from 17,000+ office workers worldwide and hosted a series of focus groups, seminars and webinars with architects, designers, and workplace specialists. This helps to inform how the office is going to be more of a place to 'meet', than a place to 'produce' and how indoor air quality and sustainability are emerging as key issues. These insights directly fit for the purpose of the New European Bauhaus to create sustainable, human centric, inspiring, and inclusive spaces and buildings, supporting people wellbeing and safety in offices. Sharing the findings during dedicated webinars, or in our showrooms, provides a new opportunity to engage with all those involved in building design, construction, renovation and use, on the importance of eco-design and material choice, indoor air quality, circular economy, and recycling to which Tarkett is actively proposing solutions.

**Focus: Hospitals for the Future – collective insight into tomorrow's needs to be more efficient, eco-conscious, and human-centric**

Understanding human needs is the basis for the Tarkett Human-Conscious Design® approach. Having observed that the COVID-19 crisis was impacting healthcare organizations heavily Tarkett was inspired to investigate. Tarkett led research with an international group of healthcare experts on the human, logistical and technical challenges, and opportunities for the Hospital of the Future. Findings were published in 2021 in a white paper report as a contribution to the debate on the hospital of the future, sharing knowledge and ideas to help drive forward thinking among healthcare providers, consultants, designers, and suppliers. The white paper underlined three pillars for a positive patient experience: improving access to care; empowering patients and families; and improving quality of life for patients and staff. It also noted the importance of ensuring continuity of service, with infection control to help contain contagion and flexibility in healthcare facilities to adapt to emergency needs. Lastly the white paper looked at the opportunities presented by digital transformation and by transitioning to sustainable practices.

**Focus: Sustaining the game – with circular solutions for artificial turf**

Tarkett Sport's FieldTurf launched an expert network in 2021 to engage dialogue on sustainability topics relating to the artificial turf industry. It organized webinars with UK, Danish and Swedish clients and municipalities to explain Tarkett's work on sustainability and some of the recycling technologies we can offer such as FieldTurf's innovative SuReTec program. See section 3.6.1.1 Selecting and sourcing sustainable materials to preserve natural resources

**Focus: Trade shows and conferences – connecting with customers, architects and designers**

In the US, as well as attending NeoCon 2021, a major US commercial interior industry trade event in Chicago, Tarkett's North American teams also organized a series of local events across the country (Dallas, Nashville, Denver, Chicago) to help limit travel and facilitate social distancing measures compared to the large-scale national trade event. Tarkett's theme for the "Ignite 2021" event was "Designing the Future. Brilliantly.", focusing on three key messages: creativity, inclusivity, and responsibility. These messages reflect our approach to designing, developing, and manufacturing flooring products and solutions - with a focus that begins with people, planet, and performance. These more intimate, local shows, gave Tarkett the ability to inform, educate, engage with more local participants and to address each person's unique flooring solution needs. Our design and sustainability teams were present onsite to host live product and sustainability presentations along with CEUs (continuing education units) available during the event and on-demand for viewing afterwards. In addition to trade shows, Tarkett joins various conferences and meetings to listen and to share experience and ideas. For example, Tarkett spoke at the Metropolis Perspective Sustainability symposium event in June 2021 on "understanding the whole life impact of building interiors". Tarkett explained its Cradle to Cradle® circular design approach and its commitment to transparency with third party verified information. Tarkett shared examples of its actions to using more recycled and renewable materials instead of virgin material which helps to reduce the carbon footprint of the flooring, such as the use of PVB from recycled windshields. Tarkett also stressed the importance of collaboration and getting everyone onboard to successfully progress in closing the loop and getting flooring back to be recycled.



In Sweden, Tarkett participated to the 2021 Stockholm Creative Edition design week, an annual event providing a platform for the latest and most cutting-edge Swedish design. Tarkett created for the occasion a 70m<sup>2</sup> floor installation made entirely of recycled Tarkett flooring created in partnership with a Swedish artist. This helped foster discussion and interest on recycling and the circular economy. Tarkett continued the dialogue showcasing its Circular Selection which brings together post-use recyclable materials from our vinyl, textile and linoleum catalogues and demonstrates the possibilities of reusing materials.

**Focus: ESG disclosures – responding to the growing attention and interest from our investors, shareholders and creditors**

Tarkett regularly responds to investors and analysts' questions on ESG matters. It discloses annually to the multi-investor backed CDP Climate Change questionnaire as well as engaging directly with investors, asset managers and proxy advisors during roadshows and other exchanges. In 2021, the Deconinck family, the controlling shareholder, reinforced its control with the support of Wendel as a long-term partner with the aim of supporting Tarkett's future growth. Wendel brings its culture of excellence, engagement, and entrepreneurship, committed to supporting talented management teams across the world in building the sustainable leading companies of tomorrow. The Deconinck family already supported Tarkett's Change to Win strategic plan presented in 2019 which included new commitments on climate and the circular economy. One of the first decisions of Supervisory Board, following these changes, was to establish a new special CSR committee to review Tarkett's main CSR risks and opportunities, its CSR commitments, and its CSR reporting. The new committee met twice in 2021 providing a new opportunity for discussion on Tarkett's actions and ambitions.

## 3.6 Meeting customer and societal expectations through eco-design, transparency, and circular solutions

We have established policies, programs, and specific initiatives to manage the identified material risks and opportunities. Our progress in addressing these risks and opportunities is monitored with specific key performance indicators. These elements are summarized in the following table along with our objectives and results.

Opportunities / Risks	Policies / Actions	Key Performance Indicators	2021	2020	2019	Objective 2030	CSR Report section	Contributing towards UN SDGs
<p><b>Raw material price volatility</b> (fluctuations in prices and availability of raw materials and energy)</p> <p><b>Supplier dependency</b> (risk where supplier choice is limited for certain raw materials)</p>	<ul style="list-style-type: none"> <li>&gt; Materials selection as part of New Product Development Process (NPDP)</li> <li>&gt; Maximize recycled content in our products: post-installation / end-of-use flooring; secondary raw materials from other industries</li> <li>&gt; Diversification of supplier's portfolio and use of local suppliers</li> </ul>	Percentage of raw materials not contributing to resource scarcity (abundant, rapidly renewable or recycled)	70%	68%	67%	85%	3.6.1	
<p><b>Product quality and safety</b> (evolving health and environmental regulations, standards and/or customer's expectations)</p> <p><b>Flooring market changes</b> (expectations for greater transparency; new products and services and increased stakeholder involvement; suppliers not compliant with our CSR standards; expectations and requirements from civil society and local communities)</p>	<ul style="list-style-type: none"> <li>&gt; Systematic materials assessment based on C2C criteria</li> <li>&gt; Transparent product information, e.g. Material Health Statements, Environmental Product Declarations</li> <li>&gt; C2C certifications of our products</li> </ul>	Percentage of raw materials third-party assessed for their impact on people's health and the environment based on Cradle to Cradle® criteria	97%	98%	98%	-	3.6.1.	



Choosing materials consciously and transparently

### 3.6.1 Choosing materials consciously and transparently

Tarkett is committed to putting people and the planet first, by applying the Tarkett Human-Conscious Design® approach to its product eco-design, development, and manufacturing to create floors that help make spaces healthier, more comfortable, and more beautiful, while striving to lessen the Group's environmental impact. This approach also allows Tarkett to disclose in complete transparency to its customers the environmental and health impacts throughout its supply chain.

#### 3.6.1.1 Selecting and sourcing sustainable materials to preserve natural resources

**Choosing quality materials is one of the pillars of our eco-design approach according to Cradle to Cradle® principles, with the objectives to respect people's health, preserve resources and protect the environment.**

From an environmental point of view, Tarkett strives to conserve natural resources, prioritizing healthy materials that can be recycled and that are sourced from abundant sources (for example calcium carbonate), renewable (such as cork, pine, spruce, oak, ash, walnut, maple, beech and birch) and recycled (including waste from other industries), so that the materials used for our products do not contribute to resource scarcity.

**Using an ever-greater share of recycled materials**, is central to Tarkett's climate and circular economy objectives. We are taking a holistic approach focusing on **closed loop recycling** (collecting and recycling Tarkett post-industrial and post-use materials), **open loop recycling** (sourcing post-industrial and post-use materials from other industries as well as procuring raw materials with recycled content) and the circular design of products (how to re-design products and processes to ensure recyclability and to increase the uptake of recycled material). This applies to both flooring and sports surfaces, with for example, over 20% recycled content in certain homogeneous and heterogeneous flooring, over 30% in linoleum, and over 60% in certain carpet flooring solutions. Tarkett Sports' FieldTurf in Europe proposes turf and infills composed of recycled materials such as ProMax HydroFlex infill which incorporates 30% recycled polyethylene sourced from end-of-life artificial turf fields and other various infill solutions made from recycled rubber granules from tires which would otherwise have been landfilled. Worldwide, Tarkett estimates that some 15 million tires have been diverted from landfill and recycled to provide rubber crumb infill (based on the use of 20 000 tires per field). Tarkett Sports' indoor flooring with the new Omnisport X3LT 3 layer technology incorporates a calendared layer with up to 60% recycled content.

**Concerning renewable origin materials**, wood is the main renewable material procured by Tarkett for parquet, laminate and linoleum flooring as well as for certain indoor sports surfaces. For example, Tarkett has produced wooden floors since 1886, sourcing wood, close to our plant at Hanaskog in Sweden, from sustainable forests in Sweden and Finland, where sparse planting and slow growth in the northern hemisphere led to strong and stable trees. Tarkett uses the whole log to benefit from its grain and pattern for the design of beautiful, distinctive floors. Linoleum also uses other renewable materials such as linseed oil, pine resin, jute and cork. Tarkett uses bio-based plastics combined with recycled and abundant raw materials in iD Revolution its Gold level Cradle to Cradle Certified® modular resilient tiles made with non-PVC materials. Another example is the Eco Shell rubber flooring developed in North America, which includes as a component, leftover walnut shells from local walnut tree culture. For outdoor sports surfaces, Tarkett's FieldTurf offers a growing range of alternative renewable material performance infill layers such as PureFill which uses natural cork granules and sand, PureSelect which uses locally sourced olive cores in the United States along with imported European olive cores and PureGeo which uses coconut peat and cork. In Europe, FieldTurf also propose PureSelect with a European sourced olive core-based infill.

Choosing materials consciously and transparently

### Example

#### **Tarkett's Fieldturf launches a program to progress towards the development of circular artificial turf solutions.**

SURETEC™ is our concept to participate and apply plastic recycling technologies internally and externally, with the goal of creating a circular turf. FieldTurf achieves this goal with the support of several technical solutions:

- > Chemical recycling with the use of mass balance pyrolysis oil from end-of-life plastics.
- > Mechanical recycling with the conversion of plastic waste into new secondary raw materials.
- > Post-use recycling with the reprocessing of end-of-life turf for use in new turf system components.
- > Eco-design with mono-polymer turf to facilitate recycling.

This new program joins existing solutions such as renewable infill layers for artificial turf. Recent examples include the refurbishment of the artificial turf at the Red Star football school training ground in St Ouen, Île-de-France (France) where recycled and renewable materials were used. An infill comprised of sand recovered from old artificial turf was used along with PureSelect crushed olive cores which is a first in the Paris area. In the Netherlands FieldTurf implemented PureMix infill, mixing crushed olive cores with existing cork infill at The Hague municipality football pitch. The olive cores are a secondary material from olive processing, are biodegradable and durable. A total of 15 tons were applied to add a 3 mm layer that was mixed with the existing cork infill. It is expected that this solution will also limit maintenance and improve the durability of the system.

Choosing materials consciously and transparently

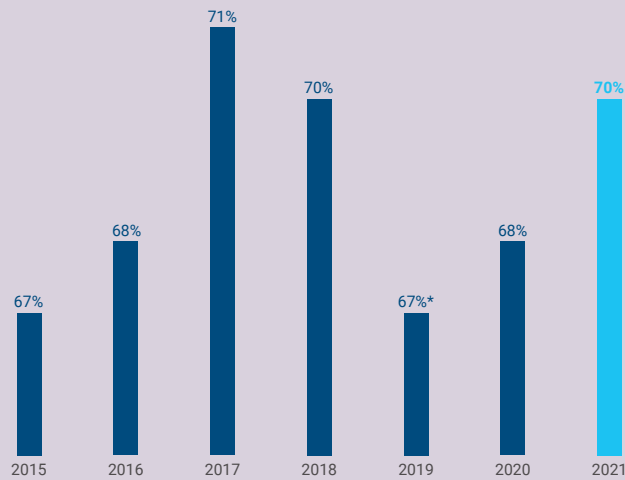
Zoom on key indicators

Raw material selection to preserve natural resources

Despite market and sanitary conditions Tarkett continued to focus on sourcing secondary raw materials in 2021, increasing the share of recycled raw materials to 15% compared to 13% in 2020, 12% in 2019 and 10% in 2018.

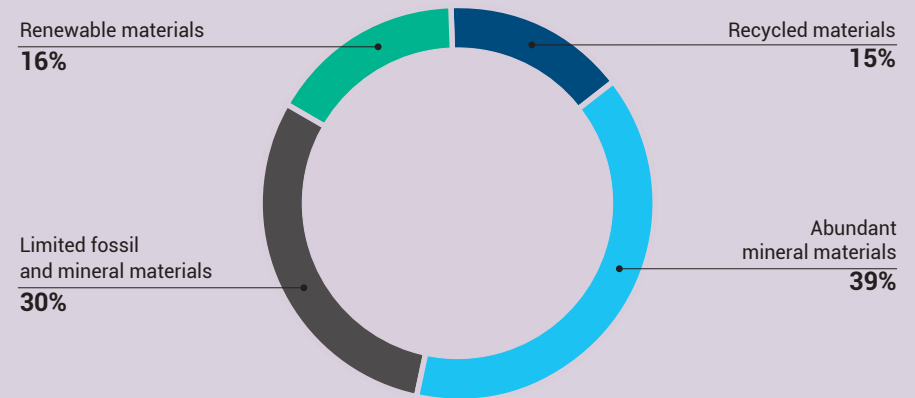
In 2021, Tarkett recorded a positive progression in the share of our raw materials which did not contribute to resource scarcity (being abundant, rapidly renewable or recycled). This is mainly due to the continued progression in employing proportionally more recycled materials in 2021. Examples of actions contributing to this trend include, the development of a new recycling center at our plant in Jaslo (Poland), the successfully implementation of a closed-loop project at our plant in Bačka Palanka (Serbia) enabling the recycling of post manufacturing vinyl waste and the transition of our Verso carpet tile range to PA6 yarn with 75% recycled content from yarn with no recycled content.

Share of raw materials not contributing to resource scarcity (%)



\* 2% decrease in 2019 vs 2018 due to closure of laminate production in Germany

Breakdown of raw materials used in 2021 (%)



Choosing materials consciously and transparently

### Limiting risks of supplier dependency

Identifying and developing new sources of renewable and secondary raw materials contributes to mitigating risks associated to raw material sourcing, notably to dependencies on certain suppliers. In recent years, Tarkett has taken other additional actions to improve its flexibility with its suppliers and has developed alternative sources in order to reduce its reliance on major players. In certain countries in particular (Russia, China, Brazil), the Group has identified new local suppliers of raw materials, further reducing its dependency on specific suppliers.

### Responsible use of PVC (polyvinylchloride)

PVC is a plastic resin widely used in the building and construction industry. PVC is made of 57% of salt and is therefore less energy intensive to produce than other comparable plastic polymers which are 100% fossil based. Furthermore, it is versatile, durable, and recyclable. Tarkett proposes PVC solutions in a number of segments such as workplace, hospitality, stores, healthcare, and education where the superior user properties such as extended life cycles (up to 30 years), high wear resistance, low maintenance costs, attractive designs, good hygiene and ease of installation are key. Tarkett is committed to the responsible use of PVC (polyvinylchloride) and has maintained transparent dialogue since 2010 with various stakeholders on the topic, defining conditions for sustainable design and production, usage, and recycling of PVC for long-term applications such as flooring.

Our current approach is to develop the use of phthalate-free plasticizers, to favor suppliers using newer manufacturing technologies with lower environmental impacts, to use raw materials and additives that meet high standards on sustainability, design and technical performance, in line with the Cradle to Cradle® principles and to promote the recycling of PVC-containing flooring notably through our ReStart® program.

For example, Tarkett's Clervaux plant in Luxembourg, is certified EuCertPlast for recycling post-consumer vinyl flooring. It recycles post-installation and post-use vinyl flooring collected from various European countries through Tarkett's ReStart® collection and recycling program as well as post-manufacturing waste.

Through this and other actions, Tarkett supports Recovynyl and VinylPlus which participate to the EU Circular Plastic Alliance promotion of voluntary actions and commitments for more recycled plastics with a target to ensure that 10 million tons of recycled plastics are used to make products in Europe in 2025. Recovynyl monitors and verifies the recycling of PVC waste and the uptake of PVC recyclate, recording how much PVC is being recycled in Europe. Recovynyl is the biggest contributor to the VinylPlus® recycling target which aims for one million tons of PVC to be recycled annually by 2030.

Tarkett contributed to work conducted by the OECD on the design of sustainable plastics. The OECD report, "A Chemicals Perspective on Designing with Sustainable Plastics - Goals, Considerations and Trade-offs"<sup>1</sup>, which includes a case study from Tarkett on vinyl flooring was presented in December 2021 during a webinar. Tarkett shared through the project and the webinar its experience and practice in applying eco-design and implementing circular solutions. Tarkett highlighted its careful material selection with third-party raw material assessment following Cradle to Cradle® principles as well as its approach to developing post-use recycling with the Tarkett ReStart® take-back and recycling program.

<sup>1</sup> <https://www.oecd.org/chemicalsafety/a-chemicals-perspective-on-designing-with-sustainable-plastics-f2ba8ff3-en.htm>

Choosing materials consciously and transparently

### 3.6.1.2 Assessing materials for their impact on health and the environment

As part of Tarkett's Change to Win strategy we are committed to driving change to develop a circular economy. Innovating with good materials and exceeding indoor air quality standards through Tarkett Human-Conscious Design® is central to this objective which puts people first, to create floors that help make spaces healthier, more comfortable, and more beautiful, while striving to lessen the Group's environmental impact so that people flourish now, and in the future. The Tarkett Human-Conscious Design® approach starts with selecting good materials by applying the Cradle to Cradle® principles.

**Tarkett works closely with the EPEA** (Environmental Protection Encouragement Agency part of Drees & Sommer), a research institute founded in 1987 **which promotes the Cradle to Cradle® design methodology**. Using this methodology since 2010 for all its activities, Tarkett not only guarantees compliance, with EU regulatory requirements for chemical substances according to REACH<sup>1</sup>, but goes further by enabling product optimization, substituting materials with alternative ones that can be recycled, improving products' health and environment credentials. The results of these material assessments enable us to better understand the impact of our products and to select more carefully our raw materials by sharing our specifications with our suppliers. Furthermore, this allows the Group to have a clear view on the health and environmental impacts of its products, and to share these with total transparency, disclosing to customers the environmental and health impacts throughout its supply chain.

With 34 plants worldwide and an active pipeline of new and improved products, there are always new materials that we need to evaluate. In 2021, in the face of raw material supply constraints, Tarkett focused on assessing a new panel of plasticizers and PVC resins as well as assessing fillers, glass veils and polyester carriers.

#### Zoom on key indicators

##### Material health and environmental assessments

To achieve our objective of using good materials for the benefit of our customers and for the planet we conduct third-party material assessments. In 2021, Tarkett successfully assessed a large number of new supplier raw materials following the need to adapt to the constrained market. In total 97% of our raw materials (representing more than 5,000 materials) are third-party assessed (by EPEA) for their impact on people's health and the environment based on Cradle to Cradle® criteria. The final less than 3% of materials for which the assessment has not yet been completed correspond to various raw materials where Tarkett is procuring relatively low volumes, creating a challenge to obtain the necessary information. Similarly, Tarkett faces a challenge, when the required information is at tier 2 or tier 3 of the supply chain (tier 1 = direct supplier, tier 2 = suppliers of supplier, etc.).

##### Radical transparency with Material Health Statements (MHS®)

Tarkett developed, together with the EPEA, the Material Health Statement to help meet the building industry's need for more granular information, drive collaboration on sustainability and move ahead of regulation to go beyond compliance, providing clear, transparent information on the health and environmental profile of the materials in our products, including any potential risks. The MHS® tool responds to the building industry growing requests for more detailed product content information which they need to respond effectively to evolving regulations and sustainable building schemes, and to stakeholders' growing interest in the built environment's health and environmental impacts.

<sup>1</sup> REACH (Registration, Evaluation, Authorization and Restriction of Chemicals) is a regulation of the European Union, adopted to improve the protection of human health and the environment from the risks that can be posed by chemicals

## Choosing materials consciously and transparently

The development of the MHS® followed Tarkett's collaboration with the EPEA on materials assessment work. It was first launched in 2016 in North America and then expanded to Europe in 2018. More than a simple list of ingredients, an MHS® accurately describes the composition of a product and provides information related to ingredient concentration (chemical molecules), their role in the product, and any health or environmental risks in case of exposure to these substances, notably for the user of the flooring and for those who install the floors. The MHS® process encompasses several steps:

- > **Material inventory:** in collaboration with our suppliers, we compile an inventory of the raw materials used in our products, down to 100ppm (parts per million/0.01%).
- > **Material Screening:** the hazard rating of individual chemicals is analyzed according to European REACH and CLP<sup>1</sup> regulations, the Green Screen List Translator (GSLT), and based on more than 100 other chemical hazard lists and scientific sources of toxicological information used by EPEA.
- > **Material assessment:** materials are assessed over their lifecycle including sourcing, production, use and post-use handling. The safety of every chemical ingredient is assessed using eco-toxicological information, scientific literature, supplier data and analytical testing. The chemical role in the finished product and its effect on occupant exposure is also evaluated.

- > **Verification:** MHS® are verified by an independent third-party organization.
- > **Optimization:** we then strive to reformulate our products using Cradle to Cradle® principles, by selecting materials that are safer and healthier for people and the environment and can be recycled.

The MHS® tool was developed to promote total product transparency, by providing our customers with information tools that are easy to read and understand. In Europe, the MHS® goes further than EU REACH requirements, in proactively providing information on all substances present in the product. MHS® documents have a validity period of 2 years which allows for the consideration of any new knowledge on chemicals used as well as providing an opportunity to increase the health performance of the product through changes in recipes.

<sup>1</sup> REACH: Registration, Evaluation, Authorization and Restriction of Chemicals; CLP: Classification, Labelling and Packaging of substances and mixtures

Choosing materials consciously and transparently

How to understand and use the Material Health Statement

Unique numerical identifier assigned by the Chemical Abstracts Service (CAS) to every chemical substance described in the open scientific literature

Formula of the product

Rate of the component in the formula

Colour-coded rating given by the EPEA

- No concern
- Moderate concern
- High concern – Task for material optimization
- Unknown concern - Task for knowledge development

Comment of the EPEA on the use or the exposure to this component

GreenScreen List Translator Score and GreenScreen Benchmark Score according to Toxnot classification, an American classification of chemicals (<https://toxnot.com/>) More information in the legend

REACH is the European Community Regulation on chemicals and their safe use.

✓ Non hazardous substance or <0,1%

Function	Component	CAS	Content	Rating	Comment	GS-LT GS-BM	REACH
Filler	Calcium carbonate	1317-65-3	< 50%	No concern		LT-UNK	✓
Polymers	Polyvinyl butyral	27360-07-2	< 40%	No concern	Polymers contributing to the build-up of the different layers, partially with a prehistory of use in former applications	LT-UNK	✓
	Poly(lactic acid)	9051-89-2		Moderate concern		N.I.	✓
	Additional polymers with minor contributions	Proprietary 2		No concern		N.I.	✓
Plasticizers	2-Ethylhexanoic acid diester with triethylene glycol	94-28-0	< 10%	Moderate concern	Plasticizers and additives with an annex role as plasticizers have for a part an agricultural origin and for another part a prehistory of use in former applications	LT-UNK	✓
	Glycerides, castor-oil mono-, hydrogenated, acetates	736150-63-3		No concern		N.I.	✓
	Soybean oil, epoxidized	8013-07-8		No concern		LT-UNK	✓

Abstract of the MHS of iD Revolution

## Choosing materials consciously and transparently

Since the launch Tarkett has published MHS® for a range of products, including vinyl flooring, vinyl tiles and planks, carpet, linoleum, and rubber. At the end of 2021 Tarkett had 28 active or undergoing renewal MHS®.

We also use other product information and transparency tools, depending on the regions and countries where we operate:

- > **Environmental Product Declarations (EPDs)** are developed in Europe and share detailed and vital information (e.g. greenhouse gas emissions) to understand the environmental impact of a given product throughout its lifecycle, according to a standardized framework and process for development, verification and communication. There is a strong demand for EPDs in Europe, in particular because it enables clients to earn credits for sustainable building labels (such as BREEAM®, LEED, DGNB, HQE). Generic EPDs have been issued by professional associations based on consolidated information from manufacturers since 2013. In 2018 Tarkett started developing specific EPDs for some of its products so as to provide more specific and transparent information. In 2021 new specific EPD were published for Tarkett's iQ Natural homogeneous vinyl flooring with bio-attributed PVC produced at Ronneby (Sweden) and for the Iconik and TX Habitat heterogeneous vinyl floorings produced at Konz (Germany) and Clervaux (Luxembourg). Some other specific EPDs, such as Tarkett's Omnisport EPD, were also revised taking into account the latest data. Overall, Tarkett has published specific EPDs for its vinyl, linoleum, laminate, wood, and carpet flooring products.
- > In **France**, upon request the EPDs are made available as Health and Environmental Product Declaration (*Fiches de Déclaration Environnementale et Sanitaire - FDES*), adding health information to the environmental ones.
- > In **Russia**, Tarkett uses the Vitality Leaf ecolabelling program, an ecolabel (type I) in accordance with international standard ISO 14024, which is a member of the Global Ecolabelling Network. Tarkett joined the program in 2009, completing the voluntary certification procedure which included a full life-cycle analysis of products. Tarkett received the ecolabel for all its branded vinyl and laminate collections.
- > In **Serbia** Tarkett was awarded, in 2019, an eco-label (type I) for parquet flooring as the product and company met criteria on reducing resource consumption, reducing energy consumption, reducing emissions of pollutants into the environment, reducing waste generation, and ensuring product recyclability.
- > In **Australia**, Tarkett utilizes the Global GreenTag certification tools such as LCARate which scores products against six main Sustainability Assessment Criteria and more than twenty other life cycle and social criteria and the EPD program which is compliant with ISO 14025 as well as the green building programs LEEDv4® and BREEAM®.
- > In **North America**, Tarkett launched Tarkett Floorprint<sup>SM</sup> with a set of 11 documents, one for each major product category, detailing all pertinent data and certification information in one convenient location. In addition to sharing third-party certifications, the Tarkett Floorprint documents include carbon emission data for each stage of the product lifecycle, how the product supports human health and well-being, and how it reduces climate impact by contributing to a circular economy.
- > Tarkett's flooring products in North America were also added in 2021 to the Design for Health<sup>TM</sup> platform by MindClick. The platform provides architects and designers with access to the MindClick Sustainability Assessment Program (MSAP) which rates social and environmental impacts throughout the product lifecycle. All evaluated Tarkett flooring products have earned a "Leader" status.
- > Tarkett Sports' Fieldturf publishes its artificial turf systems in the Mindful MATERIALS library. This platform aggregates information on human health and environmental impacts for products giving practitioners the capacity to find products that best meet individual project or client requirements.
- > Since 2011, most of our products in Europe moreover have an environmental labeling system, which specifies the percentage of recycled content, the absence of plasticizers containing phthalates, as well as the total VOC emissions. The label also helps identify products eligible to our ReStart® collection and recycling program. This has also been extended to China since 2016.





Choosing materials consciously and transparently

### 3.6.1.3 Obtaining product certifications

Within the scope of product assessments carried out by EPEA, an accredited assessment body for the Cradle to Cradle Certified® certification standard, Tarkett has obtained several Cradle to Cradle® certifications. The C2C – Cradle to Cradle Certified® validates the eco-design approach based on five criteria: material health, product circularity, clean air and climate protection, water and soil stewardship, and social fairness. Each criterion is given a score from Basic to Platinum (from the lowest to the highest: Basic, Bronze, Silver, Gold and Platinum) and the lowest ranked criterion defines the global score.

Tarkett was notably one of the first flooring manufacturers to obtain C2C Gold level certifications for certain product categories. In 2019 three new carpet tile AirMaster® products were certified C2C Gold. With AirMaster®, the concentration of fine dust particles in the air is as much as eight times lower than with hard floors and four times lower than with standard carpet. The fine dust particles are trapped by the unique threads in the carpet until it is time to vacuum clean again, contributing positively to indoor air quality. The AirMaster Nazca, AirMaster Salina and AirMaster Tierra are all made with good materials, 100% Econyl® yarn (100% recycled content) and have EcoBase® carpet tile backing specifically designed with disassembly and recycling in mind.

**In 2021, Tarkett had 22 C2C certifications covering a wide range of product categories,** including carpet, linoleum, rubber, wood, and artificial turfs. 5 of these C2C certifications achieved Gold level, the most in the flooring sector. The detailed list of products covered by C2C certifications is provided in appendix to the CSR report.

Some of our products also hold other certifications, such as **FloorScore®** for indoor air quality or **Living Product Challenge Imperative** in North America. For example, Tarkett's ethos® Modular with Omniccoat Technology™ carpet backing, has the International Living Future Institute (ILFI) Living Product Challenge Imperative certification as well Cradle to Cradle Certified® Silver. The Living Product Challenge (LPC) is a rigorous certification encouraging manufacturers to use healthy materials, optimize the chemistries of products, create environments that promote well-being, drive circular economy, and support a just and sustainable world. The LPC is organized into seven performance areas called Petals:

Place, Water, Energy, Health & Happiness, Materials, Equity, and Beauty. Each Petal subsequently has more detailed requirements, called Imperatives. Imperative certification requires the achievement of at least seven of the twenty imperatives. As well as the ethos® Modular carpet backing, our rubber tile collection also has the ILFI LPC Imperative certification, both collections being able to achieve twelve of the twenty imperatives. In North America, Tarkett is thus the first flooring manufacturer to achieve an LPC Imperative certification for both resilient and soft surface flooring products.

By ensuring that Tarkett obtains a range of third-party certifications, it assists architects, designers, and project developers reach the highest standards in green building – whether LEED (international), BREEAM® (UK), HQE (France) or DGNB (Germany).

For example, in 2021 the Atlanta (US) Falcons Mercedes Benz Stadium, with a FieldTurf playing surface, was the first professional sports stadium to achieve LEED Platinum in the US.

#### Example

##### Tarkett North America qualifies as an Environmentally Preferred Sourcing supplier to health care sector

In addition to product certifications, Tarkett is also recognized through preferred sourcing programs. For example, Tarkett North America was recently recognized by Vizient, Inc, a leader in the group purchasing industry, as an Environmentally Preferred Sourcing Designated Supplier. This distinction shows that Tarkett is an advocate for safer chemical management, conservation of natural resources, and responsible waste management. Vizient is a member-owned healthcare company in the US delivering industry-leading supply chain management services and clinical improvement services to its members. Vizient provides services to 5,000 not-for-profit health system members and their affiliates, including 1,360 acute care hospitals. This includes efforts to promote environmentally preferable purchasing and sustainable health care.

Developing a circular economy through an engaged and collaborative approach

### 3.6.2 Developing a circular economy through an engaged and collaborative approach

Tarkett is committed to the principles of the circular economy, a regenerative system in which resources used are continuously reused and recycled, carbon emissions and waste are minimized, thus limiting the use of virgin raw materials and the impact on our planet. As such Tarkett fully supports the European Commission's "European Green Deal", in which the circular economy is considered one of the main building blocks, reducing pressure on natural resources and acting as a prerequisite to achieving the EU's 2050 climate strategy and to halting biodiversity loss by promoting recycling and encouraging the efficient use of sustainable materials.

In 2021 the Technical Working Group of the European Platform on Sustainable Finance published proposals for the European Commission for the further development of the EU Taxonomy, notably including technical screening criteria for the environmental objective related to the transition to a circular economy. This proposal outlined the four main pathways to achieve this transition, namely: (i) circular design and production; (ii) circular use; (iii) circular value recovery; and (iv) circular support. Tarkett is actively developing and contributing to all of these pathways with design and manufacturing already embracing a circular approach; with products being designed for durability in use; with post-use flooring collection and recycling services through Tarkett's ReStart® program; and with transparent product information, active collaboration and awareness raising initiatives.

Our long-term vision is for all flooring to be recyclable and recycled. To do so and to become a truly circular company, we have to design and manufacture products with more and more recycled materials and we also have to build circular solutions in partnerships with our customers and suppliers. We set an ambitious goal in 2019 to drive this approach – for our products to contain on average 30% of recycled materials in 2030, compared to 10% in 2018. There are two main routes to reach this objective:

1. **Increase the use of secondary raw materials**, either with recycled post-manufacturing waste, which cannot be avoided, from within our industrial process or more importantly by sourcing recycled materials from other industries. Secondary raw materials are recycled materials that can be used in manufacturing processes instead of or alongside virgin raw materials. The use of secondary raw materials presents a number of advantages, including increased security of supply, reduced material and energy use, reduced impacts on the climate and the environment, and reduced manufacturing costs<sup>1</sup>.
2. **Grow our ReStart® program to take-back and effectively recycle flooring**, not only off-cuts from installation, but also after use.

<sup>1</sup> Source: EU Strategy for secondary raw materials 2016

Developing a circular economy through an engaged and collaborative approach

### 3.6.2.1 Working collectively towards a circular economy

Our **R&D teams** are rethinking the design and formulation of our products, looking to use more recycled materials without compromising technical and visual performance. Our Global Innovation program, launched in 2019, is contributing to this effort as it includes a focus on climate and circular economy. Together, they are reflecting on ways to design products that will be easy to disassemble and on the development of new technologies to recycle post-use products.

> For example, we established in Sweden an in-house solution to **recycle all Tarkett homogeneous vinyl flooring** produced at Ronneby (Sweden) from 2011 onwards, expanding the recycling options we offer to customers. Tarkett teams at our plant in Ronneby (Sweden), where our homogeneous vinyl flooring such as iQ Surface is produced, developed techniques to recycle post-use homogeneous vinyl flooring as part of our strive to develop circular solutions. The teams created a customized process using low-risk chemicals to remove glue and other residues from the used flooring to get clean vinyl granules that can be integrated into new homogeneous flooring. Key to the research, the granules offer the same properties and deliver the same performance as virgin raw materials, conserving natural resources and creating a lower impact on the environment with lower life cycle greenhouse gas emissions, compared to using virgin raw materials. The challenge today is to find enough post-consumer material of the right kind to fill the capacity of the process. However, active marketing and public relations are showing results and the awareness among property owners and other stakeholders about Tarkett's circular concept for homogeneous vinyl flooring is constantly increasing.

Our **Purchasing teams** are looking to extend their supply sources of secondary or innovative raw materials working with multiple industries, thus reducing the use of virgin or fossil-based materials, and the exposure to the price volatility of fossil-based materials.

> In 2021 Tarkett and the Swedish environmental company Ragn-Sells, announced an innovative partnership aiming at developing **carbon negative mineral fillers** for vinyl flooring by 2025. The primary role of a mineral filler is to bring weight and volume to the

flooring. It also plays an important role in the mechanical properties such as the product stiffness. Tarkett uses several hundred thousand tons of mineral fillers, most of them calcium carbonate, for vinyl flooring solutions every year. The calcium carbonate currently used by Tarkett is already net-zero carbon<sup>1</sup>. With the calcium carbonate produced by Ragn-Sells, it is expected to generate a carbon negative<sup>2</sup> footprint as the calcium is extracted from ash piles in Estonia and the calcium carbonate is produced using carbon capture technology. Production is scheduled to be launched in 2025 following the design and construction of a future site in Estonia by Ragn-Sells. Both companies share a long-term commitment to be a driving force in the transition to a business and society built on circular economy by developing and implementing sustainable solutions that reduce carbon emissions, as well as support a healthy environment. For Tarkett, this project has the potential to produce flooring with raw materials that contribute to the clean-up of the environment in Estonia while capturing carbon dioxide. As a result, Tarkett vinyl flooring will have a lower carbon footprint and an increased amount of recycled content.

> Other examples include **sourcing upcycled waste chalk, recycled PVB** (Polyvinyl butyral) and recycled post-industrial diapers (for more detail see section 3.7.2.3 Using secondary raw materials from other industries).

Our **Manufacturing teams** are adapting to create and use various types of secondary raw materials (recycled waste) while delivering efficiency and quality performance.

> For example, our **vinyl flooring recycling center** at our Clervaux site (Luxembourg) which recycles post-installation flooring along with post-manufacturing waste to produce secondary raw materials which are used on-site to produce underlayers. These underlayers are then incorporated in the production of finished flooring products at Sedan (France), Jaslo (Poland) and Lenham (UK) as well as at Clervaux (see also section 3.7.2.1 Managing production waste – reduce, reuse, recycle, recover).

<sup>1</sup> Net-zero carbon (also known as carbon neutral) means that a product stores as much greenhouse gas as it releases during its life cycle

<sup>2</sup> Carbon negative means that a product stores more greenhouse gas than it emits during its life cycle

Developing a circular economy through an engaged and collaborative approach

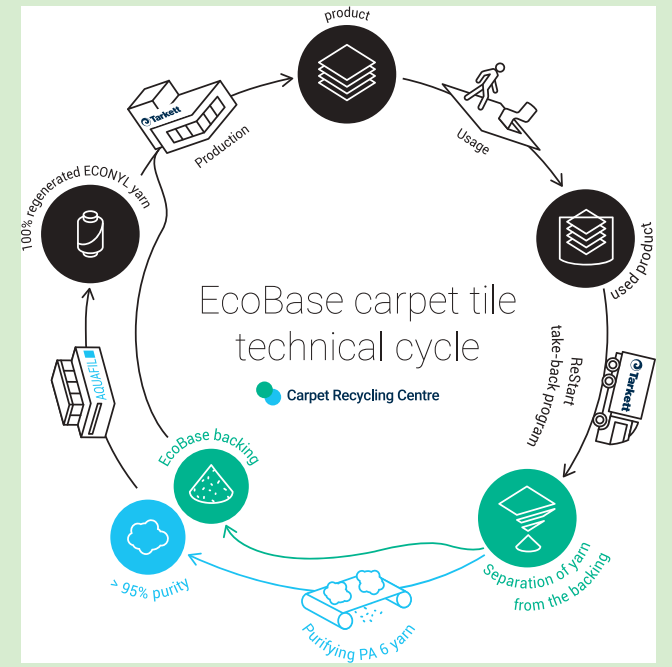
**Example**

**Creating in-house capacity to produce secondary raw materials in partnership with yarn producer**

Tarkett's carpet recycling facility in Waalwijk (the Netherlands) enables Tarkett to fully close the loop on the life cycle of commercial carpet tiles in Europe in partnership with Aquafil. To our knowledge, Tarkett is the only carpet manufacturer in Europe to achieve this. The recycling center is able to generate two material streams (yarn and carpet tile backing), which can then be recycled and transformed into high quality secondary raw materials for the production of new carpet tiles.

Tarkett developed innovative technology to separate the two main components of carpet tiles - the carpet backing and the yarn - while maintaining more than 95% yarn purity. This level of purity is vital to ensure that the polyamide 6 (PA6) yarn can be recycled by Aquafil and later transformed into regenerated Econyl® nylon yarn. The carpet tile consisting of an EcoBase® backing and PA6 nylon yarn is 100% recyclable. Furthermore, recycling carpet tiles made of EcoBase® backing and Econyl® yarn reduces CO2 emissions by 84% compared to incineration[1] Tarkett has sourced PA6 and Econyl® nylon yarn from Aquafil for more than a decade and uses Econyl® in its Desso AirMaster carpet tiles, for example. Tarkett is thus the only carpet manufacturer in Europe to have verified evidence of circular economy production of carpet tiles, as documented by the Environmental Product Declarations (EPDs) for carpet tiles with EcoBase® backing. In 2021 Tarkett refreshed its Desso Verso carpet tile collection with a contemporary new colourway using the PA6 yarn with 75% recycled content instead of zero recycled content as well as switching to the EcoBase® backing. Tarkett also launched the Serene, Serene Colour, AirMaster Savera and AirMaster Savera Shade collections with the 100% regenerated Econyl® yarn. All of these products are certified Cradle to Cradle® Silver level.

[1] Based on end-of-life stage only at Tarkett's Carpet Recycling Center, for the same product, externally verified by Bureau Veritas.



Our **Marketing and Sales teams** are working together with the supply chain to develop and implement cost-efficient take-back and recycling services for our customers through our ReStart® program.

- > For example, in 2021 we collaborated with IKEA to collect and recycle used flooring from their stores in Stockholm (Sweden) and Arlon (Belgium). Over 14,500 sqm of material was collected and then processed at our on-site recycling facility in Ronneby (Sweden) (see for more details Section 3.7.2.2 Collecting and recycling post-installation and end-of-use flooring and sports surface waste).

Our **experts are also engaging with our customers**, with architects and designers, with our suppliers, our business partners, with public authorities and NGOs, to advocate for greater collaboration in identifying and trialling solutions and in the necessity to develop a political and economic framework in favor of a circular economy.

- > For example, our teams in Europe and North America are sharing knowledge and building collaborative approaches with the Ellen MacArthur Foundation Circular Economy program (for more details see section 3.6.2.3 Building a circular economy together).

Developing a circular economy through an engaged and collaborative approach

### 3.6.2.2 Applying principles, methods, and tools to design for a circular economy

**Tarkett applies Cradle to Cradle® (C2C) principles for the design of its products, from material selection and product manufacturing, to installation, use, maintenance, end-of-use and product recovery.** Tarkett's Human-Conscious Design® philosophy and eco-design methodology strives, right from the upstream phase of a design process, to integrate various aspects – economical, performance, respect for the health and the environment – throughout different stages of the product's life cycle<sup>1</sup>. All impacts on health and the environment are studied and assessed and the approach requires the engagement of many functions within the company: research & development, marketing, procurement, production, and quality, among others.

**Our New Product Development Process (NPDP), which has been in place for several years, includes sustainability and circular economy questions right from the initial design phase.** These criteria, in line with the Cradle to Cradle® methodology, have been integrated from the design and development phase of a new flooring product. This process encourages on the one hand the selection of "good" raw materials (i.e. positively defined according to C2C assessment) for the product composition, and on the other hand the product design to ensure it is recyclable (i.e. eligible to post-installation and end-of-use collection as part of our ReStart® program, to be later recycled in one of Tarkett's recycling centers). Following these NPDP requirements allows us to target potential C2C certification right from the outset.

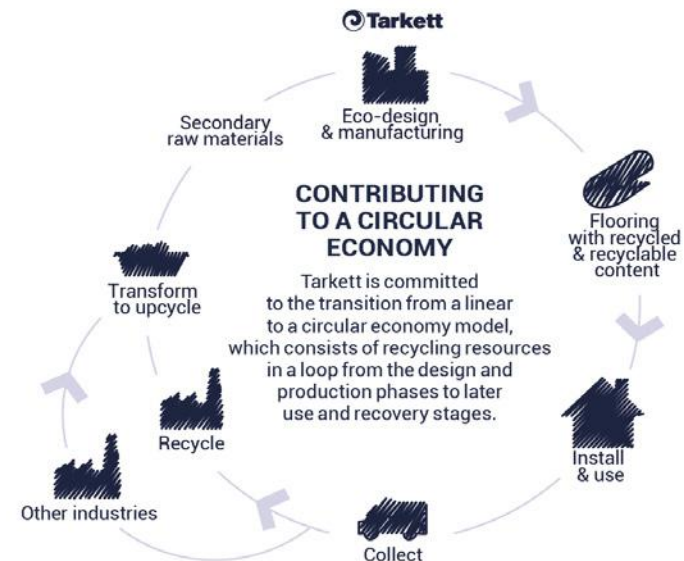
We also use **life cycle analysis (LCA)**, one of the methodologies to assess the **environmental impact of a product**. This standardized method (ISO 14040 and ISO 14044) identifies and compares the environmental impacts of a system throughout its lifecycle, from extraction of raw materials through its fabrication and processing up to its end-of-life or end-of-use (landfill, recycling...) including use phases, maintenance, and transportation. Our EMEA division is equipped with dedicated software to systematically perform LCA and develop specific environmental product declarations.

All these principles, methods and tools applied by Tarkett are part of the same concept and are based on the following pillars:

- > **Good materials:** selecting materials that respect health and the environment (e.g. recycled, renewable, not contributing to resource depletion, and with lower life cycle greenhouse gas emissions);

- > **Resource stewardship:** promoting optimized, sustainable use of resources in all phases of production, while protecting the environment (minimization of use of water and energy, and of generation of waste during manufacturing; reduction of Scope 1 to Scope 3 greenhouse gas emissions);
- > **Indoor air quality and healthy spaces:** contributing to the health and well-being of people during the product use and maintenance phase (e.g. products with low VOC emissions, phthalate-free);
- > **Recycling:** recycling no longer used products (e.g. post-installation / post-consumer flooring wastes, wastes from other industries) to eliminate waste, while helping to design new products with quality recycled materials which limit life cycle greenhouse gas emissions.

The ultimate purpose of this approach is to design products which contribute to the health, comfort, well-being, and safety of people while also preserving the natural capital of the planet.



<sup>1</sup> Standard NF X 30- 264 Environmental management – Assistance to the implementation of an eco-design approach, 2013.

Developing a circular economy through an engaged and collaborative approach

### 3.6.2.3 Building a circular economy together

The drive towards a circular economy involves many technical, logistical, and economic challenges. Tarkett is convinced that the best way to achieve our circular economy ambitions, and to overcome the complexity of these challenges is to work together with other organizations in a collaborative approach.

We work closely with institutions, such as the EPEA (Environmental Protection Encouragement Agency) scientific institute, companies and organizations specialized in the field such as Veolia in France for our ReStart® program, Carpet Recycling UK, the AGPR in Germany, a recycling site for used vinyl flooring, or Carpet America Recovery Effort (CARE) in the United States, a non-profit trade organization that fosters recycling of carpets and rugs, and of which Tarkett is a founding member.

Tarkett France joined other building material manufacturers to create Valobat in July 2021. Valobat will contribute to the development of the circular economy with the collection and recycling of building materials in France. The not-for-profit eco-organization will provide its members with a solution to meet the new extended producer responsibility (EPR) obligations in France. The French 2020 law on tackling waste and developing a circular economy will require manufacturers of building products and materials to organize or delegate the management of end-of-life waste collection and recycling.

In September 2021 Tarkett's Chief Sustainability Officer shared practical experience and perspective on the transition to a circular economy during the live LinkedIn & Youtube conference "Exponential Climate Action Summit III" on Circularity and the Race to Zero. The event - which reached 8.3 million global viewers - focused on the challenges, opportunities, and creative solutions regarding circularity and resource efficiency, exploring the role that circularity can play across production chains in the Race to Zero. The Race To Zero is a UN-backed global campaign rallying non-state actors – including companies, cities, regions, financial and educational institutions – to take rigorous and immediate action to halve global emissions by 2030 and deliver a healthier, fairer zero carbon world in time.

Tarkett contributed with other French organizations to the promotion of circular economy at the Dubai 2020 Expo being held between October 2021 and March 2022 in Dubai. The report published for the occasion "Les Carnets de Dubaï: The Circular Economy working group", explains the concept of the circular economy, the catalysts for transition and showcased concrete examples of action.

In 2021 Tarkett took part in Circulytics 2.0 for the second year running. This initiative led by the Ellen MacArthur Foundation scores companies' engagement and action to transition to a circular economy. Tarkett's overall score improved from C to B- confirming Tarkett's adoption of business practices suitable for the circular economy. Tarkett notably scored A in the "Enablers" section, confirming that its strategy, innovation and external engagement are aligned with the transition to a circular economy. Tarkett has actively contributed over the last years to the Foundation's work on promoting the transition to a circular economy, having joined the Ellen MacArthur Foundation Network, in 2013 following the publication in 2012 and 2013 of two reports on the circular economy by the Foundation, the second of which identified possible savings of 700 billion US dollars from the circular economy of raw materials<sup>1</sup>.

In 2021 as COVID-19 sanitary restrictions eased there were some renewed opportunities to meet physically to share and engage on the challenges and opportunities for a circular economy. Our teams were thus present either physically or virtually, depending on the local situation, continuing to share experience, exploring new solutions and advocating for a circular approach as part of Tarkett's strategy Change to Win, and its focus on "changing the game", with the circular economy:

At the **European level**, we are actively involved in several different fora to share our expertise, experience and also our acute understanding of the challenges, with the aim of promoting solutions and frameworks that will aid a quicker transition to a circular economy. For example:

- > Tarkett featured in a panel of experts examining extended producer responsibility (EPR) in the textile sector as part of an EU Circular Talk in 2021 as the European Commission considers EPR as a regulatory measure to promote sustainable textiles and treatment of textile waste in accordance with the waste hierarchy.
- > Tarkett spoke about its efforts towards a circular economy alongside European Members of Parliament at two Globe EU events, firstly in May on the topic of "Recovering resources from end-of-life products in a circular economy" and then in September on the topic of Whole Life Carbon alongside the World Green Building Council (WGBC) who spoke about their Building Life Project. In the run-up to COP26 the World Green Building Council has convened the #BuildingLife project to galvanize climate action in the built environment through private and public initiatives. The #BuildingLife project focuses not only on operational emissions of buildings, but also on embodied CO<sub>2</sub> which results from the manufacturing, transportation, construction, and end-of-life phases of built assets.

<sup>1</sup> Source: [Ellen MacArthur Foundation "Towards the Circular Economy Vol. 2: opportunities for the consumer goods sector", January 2013](#)

Developing a circular economy through an engaged and collaborative approach

- > Support to the Product Circularity Datasheet (PCDS) initiative launched by the Ministry of the Economy of Luxembourg in 2019. An initiative which aims at developing an industry standard template for circular data on products in order to provide reliable data on circular product properties throughout the whole value chain, from raw materials to finished products, from the use phase to recycling. It is expected that PCDS will support a common language on how to describe the circularity features; allow machine readable and inexpensive scalable IT solutions promoting open data and open-source solutions; promote the design of circular and healthy products; facilitate the implementation of cost-effective circular business models; and provide information on how to reuse products at the end of a use cycle. In 2021 this work was shared with ISO in order to develop an international standard.
- > Tarkett shared its progress on working towards a circular economy at the annual conference of Ecopreneur.eu, the European Sustainable Business Federation based in Brussels which encourages a circular economy in Europe.
- > Involvement in the EU Circular Plastics Alliance through Tarkett's membership of VinylPlus, European Carpet and Rug Association and European Resilient Flooring Manufacturers' Institute. The Circular Plastics Alliance gathers public and private stakeholders in the plastics value chains to promote voluntary actions and commitments for more recycled plastics with a target to ensure that 10 million tons of recycled plastics are used to make products in Europe in 2025, which represents an increase of more than 150% compared to 2016.
- > Participation to the European Resilient Flooring Manufacturers' Institute (ERFMI) Circular Economy Platform. The aim of the platform is to develop the collection, identification, and traceability of used flooring materials.
- > Tarkett partnered with Dezeen in December 2021 for a live online talk exploring sustainability and circularity in design. Alongside Tarkett, panellists from Ikea and Wald discussed topics such as how designers can design sustainable products at a large scale. Tarkett emphasized the need for action and shared its solutions, such as Tarkett

Circular Selection, that can help designers and customers transition to a circular economy. The talk hosted by Dezeen, a popular and influential architecture, interiors and design magazine, with over three million monthly readers and six million social media followers, was titled "Sustainable meets style: how design advocates can guide consumers through their circular journey".

In **Poland**, Tarkett contributed to the 2021 Circular week at Swedish embassy, discussing, along with Ikea and Electrolux, on how to accelerate the circular economy in Poland.

In the **UK**, Tarkett promoted Tarkett's Circular Selection, which brings together all of the products for which Tarkett currently has a functioning local collection system, and where the collected material is recycled into new raw material for future Tarkett flooring. This provided a new opportunity to develop dialogue on Tarkett's actions in favor of a circular economy, with Tarkett's ReStart® program and its products which are recyclable and contain recycled material.

In the **US**, Tarkett participates to Vinyl Sustainability Council (VSC) work to promote post-consumer recycling. Tarkett chairs the V-Cycle Task force which in 2021 set a new industry goal to increase recycling by 10% over 2016 amounts by 2025. The task force is now working on developing a roadmap to achieve the long-term recycling goal, including in addressing some of the challenges. The Vinyl Sustainability Council was created to further advance the efforts of the vinyl industry as it addresses sustainability and related advocacy, communication, and technical issues in North America. Members of the VSC work together to develop and implement best practices and innovation leading to continuous improvement throughout the industry, while promoting these achievements to key stakeholders.

Tarkett also participated in 2021 to US Green Building Council (USGBC) leadership session on circular economy and how to create a closed loop system that develops products using recycled materials to eventually be disassembled and reused.

Developing a circular economy through an engaged and collaborative approach

## Example




### Tarkett chairs the AFNOR (France) Commission on Circular Economy since 2019

In 2019 the **International Organization for Standardization (ISO)** launched a **new committee (ISO/TC323) to work on developing a circular economy standard**. Tarkett contributed as part of the French national organization for standardization (AFNOR) delegation as the Technical committee convened in Paris with 47 countries and 120 experts. The original idea for the committee came from AFNOR, ISO's member for France, where business leaders from many sectors including Tarkett, have developed the AFNOR standard on circular economy project management XP-X30-901 to support and provide guidance to shape projects ensuring a move from a linear to a circular economy model while addressing the effects of resource and biodiversity depletion, climate change and the social aspects of consumption patterns. Since 2019, an expert from Tarkett chairs AFNOR's standardization committee on the circular economy. The ISO Technical Committee 323 covers standardization in the area of the circular economy with a view to developing requirements, frameworks, guidelines and support tools for the implementation of circular economy projects. In 2021 the ISO Technical Committee began work on a Product Circularity Data Sheet following a proposal from Luxembourg. It capitalizes on the research work launched by the Ministry of the Economy of Luxembourg, to which Tarkett has actively contributed, and will set the basis of the product and material passport concept, for which a standardized approach is needed to ease the development of transparent communication about circularity of products.








## 3.7 Responding to the climate emergency with good environmental management and a circular economy approach

We have established policies, programs, and specific initiatives to manage the identified material risks and opportunities. Our progress in addressing these risks and opportunities is monitored with specific key performance indicators. These elements are summarized in the following table along with our objectives and results.

Opportunities / Risks	Policies / Actions	Key Performance Indicators	2021	2020	2019	Objective 2030	CSR Report section	Contributing towards N SDGs
<b>Climate change and damage to environment</b> (more stringent GHG regulations, including Scope 3 and carbon pricing; compliance with environmental regulations at production sites)	> Combined Scope 1+2+3 GHG emissions reduction	Percentage reduction of combined Scope 1+2+3 GHG emissions	-	-	-	-30% vs 2019	3.7.1	
	> Scope 1 & 2 GHG: energy efficiency projects, development of renewable energies	Percentage reduction of Scope 1 & 2 GHG emissions	-27% vs 2019	-18% vs 2019	-	-50% vs 2019		
	> Scope 3 GHG: increasing the share of pre- and post-consumer recycled raw materials, developing post-installation and end-of-use flooring take-back and recycling (ReStart® program)							
	> Annual audits and follow-up of industrial sites by third party (ERM)							
<b>Raw material price volatility</b> (fluctuations in prices and availability of raw materials and energy)	> Energy reduction and efficiency projects at production sites	Energy intensity (kWh/m <sup>2</sup> )	4.19	4.00	4.09	-	3.7.1.1.	
	> Development of renewable energy sources at production sites and sourcing of renewable electricity	Percentage of energy consumption coming from renewable energies	38%	27%	28%	-	3.7.1.2	
	> Maximize recycled content in our products: post-installation / end-of-use flooring; secondary raw materials from other industries	Percentage of recycled content of raw materials <sup>1</sup>	15%	13%	12%	30% in 2030	3.7.2.3	

<sup>1</sup> Recycled materials: Materials that would otherwise have been sent for waste disposal; internal post-manufacturing recycled volumes are included.

Opportunities / Risks	Policies / Actions	Key Performance Indicators	2021	2020	2019	Objective 2030	CSR Report section	Contributing towards N SDGs
								
<b>Deployment of the transition to a circular economy</b> (effective recyclability and recycling of end-of-use flooring and sports surfaces)	<ul style="list-style-type: none"> <li>&gt; New Product Development Process (NPDP) to ensure recyclability of new flooring products</li> <li>&gt; Post-installation and end-of-use flooring take-back and recycling (ReStart® program)</li> <li>&gt; Maximize recycled content in our products: post-installation / end-of-use flooring; secondary raw materials from other industries</li> </ul>	Quantity of post-installation and end-of-use flooring collected through the ReStart® program	3,200 tons	3,000 tons	3,300 tons	-	3.7.2.2	  
<b>Climate change and damage to environment</b> (more stringent GHG regulations, including Scope 3 and carbon pricing; compliance with environmental regulations at production sites)	<ul style="list-style-type: none"> <li>&gt; World Class Manufacturing (WCM) program</li> <li>&gt; ISO 14001 certified Environmental Management System</li> <li>&gt; Emergency response plans implemented at production sites</li> </ul>	Percentage of production sites certified to ISO 14001	82%	81%	85%	-	3.4 3.7 Appendix	
<b>Downtime, disruption and damage on site</b> (industrial accidents, e.g. fire, pollution; impacts of natural disasters, e.g. flooding)	<ul style="list-style-type: none"> <li>&gt; Environmental yearly audits and follow-up of industrial sites by third party (ERM)</li> </ul>							

### Responding to the climate emergency

195 countries signed up to the Paris Agreement at the UN Climate Conference COP 21 in 2015, committing to keep global temperatures "well below" 2°C above pre-industrial times and "endeavor to limit" them to 1.5 degrees Celsius. Since then, discussions and work continue at the global and local level to implement the necessary policies, strategies, and actions to meet this objective. In August 2021 the IPCC published the first part of its Sixth Assessment Report (AR6) on the physical science basis of climate change indicating that global surface temperature will continue to increase until at least the mid-century under all emissions scenarios and that global warming of 1.5°C and 2°C will be exceeded during the 21<sup>st</sup> century unless deep reductions in carbon dioxide (CO<sub>2</sub>) and other greenhouse gas emissions occur in the coming decades. This focused the attention of the UN Climate Conference COP26 in Glasgow (UK) in November 2021 where countries gathered with the goal of securing global net zero emissions by mid-century and commitment to keeping the 1.5°C limit within reach.

Tarkett fully recognizes the urgency and in 2021 revised its objective to reduce the Group's GHG emissions by 30% on the whole value chain (by 2030 vs 2019). This is an important change as not only does Tarkett commit to an absolute reduction in greenhouse gas emissions, but the goal now includes upstream and downstream Scope 3 emissions<sup>1</sup>, which are 10 times greater than Tarkett's combined scope 1 and 2 emissions (the previous target was to reduce scope 1 and 2 GHG emissions intensity).

This new climate objective is in addition to the existing goal, set in 2019, of reducing value chain emissions by tripling the share of the recycled content of Tarkett's raw materials by 2030 compared to 2018 (30% vs 10%). These new targets build on Tarkett's first commitment in 2013 to reduce its GHG emissions intensity (Scope 1 & 2 kgCO<sub>2</sub>e/m<sup>2</sup>) by 20% by 2020 compared to 2010, something that Tarkett achieved having reduced its GHG emissions intensity by 26.8% at the end of 2020.

We know that these climate objectives are challenging, requiring important innovations to lower the carbon footprint of each product, needing collaboration with suppliers to find new solutions, as well as partnerships with customers to ensure the take back and recycling of our floors and sport surfaces at the end of their life.

But these objectives present an opportunity to lead in the transition to a net zero circular economy future.

This transition is also being encouraged and driven by the European Union which continues at the forefront of public action as it continues to implement the EU's Green Deal. In 2021 the European Climate Law was adopted setting a legally binding target of net zero greenhouse gas emissions by 2050 and the EU Platform on Sustainable Finance set out proposals for the EU Taxonomy on the transition to a circular economy as well as the other EU environmental objectives.

### In 2021 Tarkett continued to take concrete action to addressing the climate emergency:

- > by setting a new target for a 30% reduction of our combined Scope 1, Scope 2 and Scope 3 GHG emissions by 2030 compared to 2019. This includes a specific target to reduce Scope 1 and Scope 2 GHG emissions by 50% by 2030 compared to 2019, which is in line with Paris Agreement objective of limiting the global temperature rise to 1.5°C. The new targets were established following the GHG Protocol standard and the methodology and criteria of the Science-Based Target Initiative (SBTi)<sup>2</sup> with assistance from Carbone 4, a leading independent consulting firm specialized in low carbon strategy and climate change adaptation;
- > by assessing the impact of investments on energy consumption and carbon footprint with the implementational of a new investment approval process which applies a shadow carbon price of 250 euros/ton CO<sub>2</sub>;
- > by reducing Scope 1 and Scope 2 greenhouse gas emissions resulting from our production activities through the procurement of renewable electricity, the use of other renewable energies such as biomass and the application of other environmental management techniques facilitated by our WCM program and
- > by reducing Scope 3 greenhouse gas emissions notably through product eco-design to reduce embodied carbon, to increase recycled content, and to anticipate end-of-life recycling; but also through engagement with our suppliers, to reduce GHG emissions associated with raw material production, and with our customers to build a circular economy with post-use collection and recycling.

Tarkett believes, it is also a responsibility for our governments to accelerate the development of ambitious and incentive-based regulations to achieve the transition to a circular economy by all economic actors, not only by manufacturers, consumers, but also public authorities through the promotion of public procurement incorporating circular economy criteria.

<sup>1</sup> Scope 3 GHG emissions from purchased goods and services and end-of-life treatment of sold products, categories which represent more than two thirds of total scope 3 emissions

<sup>2</sup> Tarkett submitted its target to the Science-Based Target Initiative (SBTi) for validation in February 2022

Reducing greenhouse gas emissions (Scope 1 and 2) at our production sites

### 3.7.1 Reducing greenhouse gas emissions (Scope 1 and 2) at our production sites

Tarkett promotes environmental management techniques at its plants across the world through the environmental guidance of its World Class Manufacturing (WCM) program and through ISO 14001 certification. This continuous improvement program, led by local WCM division coordinators, plant WCM leaders, and plant environmental managers, ensures appropriate actions are taken, along with the monitoring of key performance indicators, to manage identified environmental risks and opportunities. The WCM environmental network share progress on key performance indicators, the analysis of environmental incidents (e.g. local pollution accidents or near-misses), and the sharing and replication of good practices.

#### Example

##### Global Sustainability Day – mobilizing teams on climate and circular economy

Tarkett held its first global sustainability day on World Climate Day, December 8<sup>th</sup> 2021. It provided the occasion to reiterate Tarkett's climate and circular economy objectives, its achievements to date, and its key actions going forward.

An extensive video message from Tarkett's Chief Sustainability Officer - answering as well questions asked by Tarkett employees - explained the challenges which include continued energy efficiency in plants, transitioning to renewable energies, and engaging with the value chain to build a circular economy with more recycled materials and more ReStart® take-back and recycling of post-use flooring and sports surfaces.

The WCM environmental guidance, procedures and methods cover: environmental compliance; environmental hazards and risks assessment and mitigation (all forms of potential pollution - air, water, ground, noise ...); environmental incident (with root cause analysis) and emergency management; chemicals handling and management; energy, water and waste management (with consumption analysis), environmental monitoring and reporting; and environmental training.

**At the end of 2021, 93% of flooring plants, have an ISO 14001 certified environmental management system.** Tarkett's sports surface FieldTurf plants in Calhoun (US) and Botany (Australia) also have ISO14001 certification.

A central and longstanding aim of Tarkett's environmental management has been and remains to limit energy consumption and reduce associated greenhouse gas emissions. Tarkett achieved its first target set in 2013 to reduce its greenhouse gas (GHG) emissions intensity (Scope 1 & 2 kgCO<sub>2</sub>e/m<sup>2</sup>) by 20% by 2020 compared to 2010, reporting a 26.8% reduction in 2020. In 2019, within the framework of its Change to Win strategy, Tarkett announced a new objective of reducing its GHG emissions intensity by a further 30% by 2030 compared to 2020. In 2021 Tarkett revised this objective to reducing absolute Scope 1 and Scope 2 GHG emissions by 50% by 2030 compared to 2019, thus aligning with the Paris Agreement goal of limiting global temperature rise to 1.5°C.

#### Tarkett applies the following solutions to achieve these goals:

- > Improving energy efficiency through changes and optimization of our manufacturing processes;
- > Developing on-site renewable energy production (e.g. biomass, geothermal, solar);
- > Purchasing 100% low carbon electricity (renewable or nuclear).

Reducing greenhouse gas emissions (Scope 1 and 2) at our production sites

Zoom on key indicators

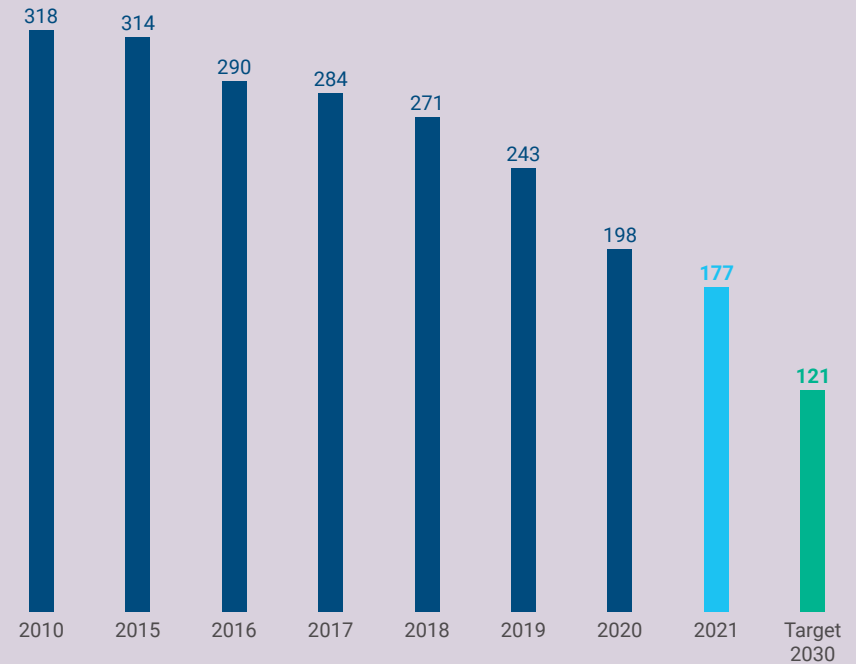
Climate Change

In 2021 Tarkett continued to make good progress towards its new target of reducing its Scope 1 and Scope 2 GHG emissions by 50% by 2030 compared to 2019 with these absolute emissions now down 27%. Compared to 2020 Scope 1 and Scope 2 emissions were down 11%, despite a context of increased production. This is mainly due to increased purchase of renewable electricity and improved energy efficiency.

Scope 1 and 2 GHG emissions intensity (GHG emissions, associated to production energy consumption, per square meter of manufactured product) in 2021 reached 0.67 kgCO<sub>2</sub>e/m<sup>2</sup>, which represents a 11% reduction over 2020.

Absolute Scope 1 and 2 GHG emissions from fuel combustion and purchased electricity and steam consumption at our production sites in 2021 are down 44% compared to 2010 at 177,466 tons CO<sub>2</sub>e which corresponds to a reduction of more than 140k tons CO<sub>2</sub>e. This corresponds to the annual GHG emissions of 21,000 Europeans (EuroStat reported in 2021 that the total carbon footprint of EU-27 was equal to 6.7 tonnes of CO<sub>2</sub> per person in 2019).

Total Scope 1 & 2 (market-based) GHG emissions (tCO<sub>2</sub>e)



Reducing greenhouse gas emissions (Scope 1 and 2) at our production sites

### 3.7.1.1 Improving energy efficiency

Tarkett is committed to constantly improving energy efficiency in its operations to limit its impact on the climate and to reduce costs. All plants track and report their energy usage every month, they map and analyze consumption and implement energy saving measures which include energy efficiency in production processes (heat recovery, equipment replacement, process optimization, cooling ...) and energy efficiency in buildings (heating, lighting, insulation...).

The WCM program, builds plant capacity to avoid all sources of waste, including achieving greater energy efficiency. WCM division coordinators and plant WCM leaders share good practice and encourage the implementation of action plans to reduce energy consumption and achieve greater energy efficiency. Since 2011, the ISO 50001 standard recognizes companies' commitment to better energy management. In 2021, all Tarkett European sites that employ more than 250 people are ISO 50001 certified. Independent from certification systems, some of our production sites already engage in practices that meet standards similar to ISO standards. This provides us with our own feedback and enables us to identify best practices to implement.

In 2021, the majority of our production sites saw production activity increase following the downturn observed in 2020 due to the COVID-19 pandemic. In this context local teams were mobilized to optimize their manufacturing processes and improve energy efficiency, in order to reduce their energy consumption per square meter of manufactured product. For example:

- > At our **Kalush site (Ukraine)**, teams implemented various solutions to reduce energy consumption, including the installation of motion sensors, LED lighting and other more energy efficient equipment.
- > At our **Otradny site (Russia)**, teams launched more than 20 new energy saving solutions, as well as following up on actions implemented in 2020 (e.g. improving insulation, replacing old heat exchangers) that were identified in 2019 during an energy workshop was organized by WCM to identify energy losses with some of the best experts in the group from Clervaux (Luxembourg), Narni (Italy) and Bačka Palanka (Serbia). The workshop applied a WCM methodology, successfully identifying and documenting solutions for heat recovery.

- > **In the US Tarkett** is working with the US Department of Energy "Better Plants" program. This program works with leading manufacturers to boost their efficiency, resilience, and economic competitiveness through making improvements in energy efficiency. Manufacturing companies and wastewater treatment organizations partner with Better Plants, to set specific energy, water, and waste reduction goals, and commit to reducing energy intensity by 25% over a 10-year period across all their U.S. operations. Better Plants provides support in the form of technical assistance, tools, resources, and national recognition to help partners achieve their goals. In June Tarkett reviewed with the Better Plants program the results of previous assessments and discussed next steps to establishing a roadmap of action to improve energy efficiency.
- > At our **Jacareí site (Brazil)** our teams inaugurated a new Luxury Vinyl Tile (LVT) line with new technology improving energy efficiency. The new LVT line also uses more recycled secondary raw materials so contributing to Tarkett's other climate goal of achieving 30% recycled content by 2030.

#### Zoom on key indicators

##### Energy efficiency

Energy intensity (energy consumption per m<sup>2</sup> of manufactured product) increased by 5% in 2021 to 4.19 kWh/m<sup>2</sup> (compared to 4.00 kWh/m<sup>2</sup> in 2020, 4.09 kWh/m<sup>2</sup> in 2019, and 4.05 kWh/m<sup>2</sup> in 2018). This is the result of the general market trend for more modular products which require more energy to produce compared to rolls products. The continued deployment of energy savings initiatives has helped limit this increase. Local teams with the support of Tarkett's World Class Manufacturing Program continue to identify and implement solutions to achieve energy savings. In 2021 12 plants saw their energy intensity improve, such as the vinyl production at Jacareí in Brazil (-29%), Florence East in the US (-29%) and Jaslo in Poland (-5%).

Reducing greenhouse gas emissions (Scope 1 and 2) at our production sites

### 3.7.1.2 Developing renewable energy

Developing the use of renewable energy sources on our sites represents one solution to reduce Tarkett's greenhouse gas emissions our impact on the climate. In this area, different initiatives are deployed to produce and use renewable energy:

- > Wood waste from our production is used as biomass for energy production at seven of our plants: Hanaskog and Ronneby (Sweden); Narni (Italy); Orzechowo (Poland); Kalush (Ukraine); Bačka Palanka (Serbia) and Mytishchi (Russia). The same energy consumption using natural gas would emit 14.7 kt CO<sub>2</sub>e more Scope 1 GHG emissions equivalent to 8.3% of total 2021 Scope 1 & 2 GHG emissions.
- > Solar energy is used at our carpet sites in Dendermonde (Belgium) and in Waalwijk (The Netherlands), as well as at the linoleum site in Narni (Italy) which also uses geothermal energy.

In addition to on-site actions, Tarkett also encourages the use of green energy sources produced by third parties, such as hydraulic, wind or solar power, or for example, by purchasing certified renewable electricity.

In 2021, four additional plants, in Sweden (Ronneby and Hanaskog), Poland (Orzechowo) and Germany (Abtsteinach) began sourcing renewable electricity, bringing the total to 12 plants that source 100% renewable electricity. The other plants are Chagrin Falls and Middlefield (United States), Clervaux (Luxemburg), Narni (Italy), Dendermonde (Belgium), Waalwijk (The Netherlands), Bačka Palanka (Serbia) and Jacareí (Brazil). Collectively this prevents some 63.1 kt CO<sub>2</sub>e per year of greenhouse gas emissions (base 2021 for these plants), the equivalent of 35.5% of total 2021 Scope 1 and 2 GHG emissions.

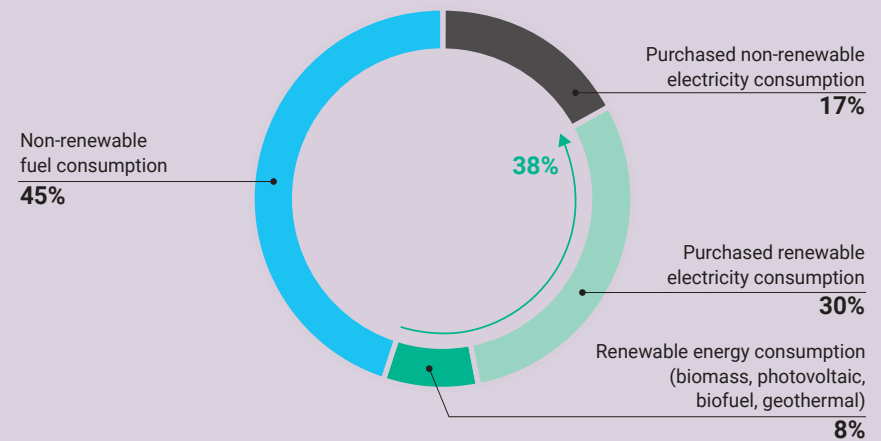
As well as developing the use of renewable energy, Tarkett looks for other solutions to reduce energy related greenhouse gas emissions. One such example is by replacing fossil fuel heating systems with electric or biomass powered systems. In 2021, Tarkett's plant in Jacareí (Brazil) changed the energy source of its hot press from natural gas to electricity thus reducing the associated GHG emissions. The plant sources 100% renewable electricity from hydroelectric, solar and wind sources. Tarkett's Ronneby (Sweden) plant changed fuel heated boilers to electric boilers saving 2,320 tons of annual fuel consumption and the associated 6,194 tons CO<sub>2</sub> emissions (based on 2.67 tCO<sub>2</sub>/t fuel). Other benefits include eliminating the risk of fuel oil leaks, no longer requiring the transport and delivery of the fuel oil and the decommissioning of the noise generating flue-gas stacks.

#### Zoom on key indicators

##### Renewable energies

The share of renewable electricity increased to 65% (vs 41% in 2020 and 42% in 2019), notably thanks to the four additional plants which are now sourcing uniquely renewable electricity. The share of other renewable energies, such as biomass, in Tarkett's energy mix remained stable bringing the overall share of renewable energies to 38% in 2021. Overall, the use of biomass, biofuel and the purchase of renewable electricity avoids the equivalent of some 77.7 kt CO<sub>2</sub>e of GHG emissions, which corresponds to 44% of Tarkett's 2021 total Scope 1 & 2 GHG emissions. Tarkett continued to decrease the share of fossil-based energy, with the share of low carbon energy (renewable energy and electricity from nuclear power) progressing by 4% to 43% in 2021.

##### Share of renewable energies in energy consumption (%)



Reducing greenhouse gas emissions (Scope 1 and 2) at our production sites

### 3.7.1.3 Reducing water consumption

Aware of the critical importance of preserving this vital resource, Tarkett has been managing water responsibly on its production sites for many years as part of its environmental strategy, even though there is no apparent risk of water scarcity at our locations. Tarkett has achieved significant water savings through the implementation of closed-loop water reuse systems, process changes, optimization, and general good management. Water consumption is monitored and reported every month with water intensity calculated and discussed as part of environmental dashboards. As with energy management and efficiency, Tarkett's local WCM division coordinators and WCM plant leaders help to build plant capacity to manage water responsibly through guidance, training, good practice sharing and regular reporting. Tarkett plants also ensure the appropriate treatment of wastewater, especially where the wastewater may contain

hazardous compounds, either through on-site wastewater treatment or via external treatment by specialized service providers. Wastewater discharged at Tarkett facilities are regularly controlled to ensure compliance with local requirements.

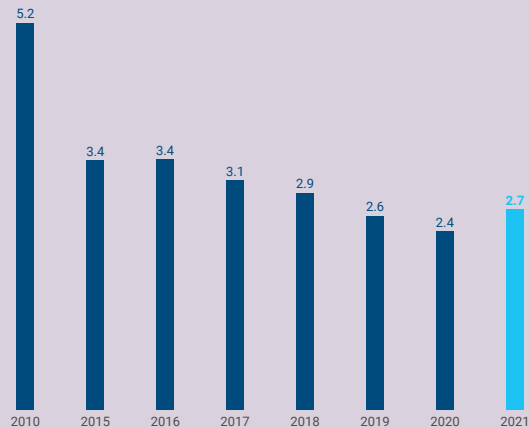
**In 2021, we kept working on improving water management at our production sites, for example:**

- > At our vinyl flooring plant in Otradny (Russia) a new system for regulating water in production lines was installed.
- > At our Farnham (Canada) plant a new process water treatment system was implemented.

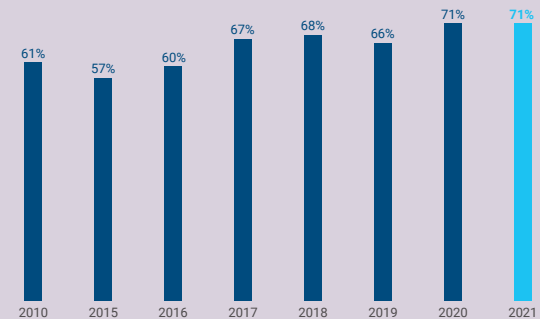
#### Zoom on water consumption

In 2021, total water consumption increased compared to 2020, however is 2.7% lower than 2019 pre-COVID-19 levels (0.71 million m<sup>3</sup> in 2021, against 0.63 million m<sup>3</sup> in 2020, and 0.73 million m<sup>3</sup> in 2019). Water intensity, measured as water consumption per m<sup>2</sup> of manufactured product, increased slightly compared to 2019 (2.7 l/m<sup>2</sup> in 2021, 2.4 l/m<sup>2</sup> in 2020, and 2.6 l/m<sup>2</sup> in 2019). One of the main solutions to reducing water intensity and water consumption is equipping our industrial sites which use water in their industrial process with a closed loop water system, in other words reusing a minimum of 98% of the water used. To date, the implementation of closed loop water systems and other water efficiency solutions has enabled 56% water savings (vs 2010) and significantly improved water intensity (-51% l/m<sup>2</sup> vs 2010). The proportion of sites using closed loop water systems or not consuming any water in their manufacturing remained constant in 2021 at 71%.

Water intensity (l/m<sup>2</sup>)



Share of sites which have implemented a closed loop water system, or which do not use water in their manufacturing process (%)





## Limiting upstream and downstream greenhouse gas emissions (Scope 3)

Some of our flooring and sports surface solutions moreover contribute to reduce water and chemicals consumption **during the use phase of our products**.

For example, our iQ vinyl flooring range benefits from a unique surface restoration technology with dry buffing cleaning, where small scratches and surface wear traces are removed without using any chemicals or water, thus contributing to an improved indoor air quality and significant savings.

The use of our artificial turfs instead of natural grass for sports grounds eliminates the need for watering and for applying chemical fertilizers. Based on an average irrigation of 1.5 million gallons per season and some 6,000 Fieldturf fields currently in use, this equates to 9 trillion gallons of water (34 million m<sup>3</sup>) saved annually.

Also, our Omnisports surfaces TopClean xp™ polyurethane treatment reduces cleaning and maintenance by simplifying the process and even eliminating the need to apply waxes or other surface treatments. This limits water and detergent consumption and reduces maintenance and cleaning budgets.

### 3.7.2 Limiting upstream and downstream greenhouse gas emissions (Scope 3)

**Tarkett is accelerating its efforts in the areas where it can have the greatest impact to reduce the carbon footprint of its products.** The assessment of Tarkett's Scope 3 - value chain greenhouse gas emissions found the greatest opportunity to lie in product eco-design, with efforts to increase recycled content and other low-carbon materials along with designing for recyclability and in the development of collection and recycling of post-installation and end-of-use flooring.

#### Assessing Scope 3 value chain GHG emissions

Tarkett updated in 2020 its assessment of Scope 3 greenhouse gas (GHG) emissions with the assistance of Carbone 4, a leading independent consulting firm specialized in low carbon strategy and climate change adaptation. The assessment, based on the methodology of the "GHG Protocol - Corporate Value Chain (Scope 3) Accounting and Reporting Standard", used 2015, 2017, 2018, 2019 and 2020 activity data to estimate GHG value chain emissions for 10 out of the 15 Scope 3 categories. Emissions were not calculated for five categories which are not considered relevant to Tarkett's activity according to the GHG Protocol criteria for identifying relevant Scope 3 activities.

This updated assessment, confirms the main sources, previously identified by Tarkett, of its Scope 3 GHG value chain emissions (emissions originating from the production of raw materials, the end-of-life disposal and the transportation of products as well as potential emissions associated to floor cleaning).

In 2021 we assessed the potential avoided GHG emissions<sup>1</sup> that would be achieved by recycling our products. This approach considers that the waste material is used as raw material replacing virgin/fossil raw material instead of being incinerated, thus avoiding the emissions related to both the production of virgin raw materials and the incineration of the waste flooring.

#### Homogeneous vinyl flooring

Tarkett has overcome the challenge of recycling post-use homogeneous vinyl flooring through the inhouse development of innovative technology. The flooring is granulated, washed several times to remove residues and glue, dried and safely reintroduced into our supply chain. The raw material is used in the production of new Tarkett homogeneous flooring at our recycling and production center in Ronneby (Sweden). For example, recycling 1 m<sup>2</sup> of post-use iQ homogenous vinyl flooring waste saves 11.8 kgCO<sub>2</sub>e.

<sup>1</sup> Climate benefits from recycling flooring waste - Tarkett 22th September 2021 v2.0

Limiting upstream and downstream greenhouse gas emissions (Scope 3)

### Heterogeneous vinyl flooring

Tarkett collect clean post-installation off-cuts or used flooring, sending them to one of our dedicated sorting partners before shredding and granulating them into high quality raw materials. These materials are used in the production of new heterogeneous flooring at our production center in Sedan (France). For example, recycling 1 m<sup>2</sup> of post-use loose-lay vinyl Acczent Excellence Genius flooring waste saves 12.4 kgCO<sub>2</sub>e.

### Carpet tiles

Tarkett processes collected post-use carpet tiles at its recycling center at Waalwijk (the Netherlands) producing two material streams: the yarn and the backing. The yarn is recycled by its partner Aquafil into regenerated Econyl<sup>®</sup> nylon yarn to be used in the production of new EcoBase<sup>®</sup> carpet tiles along with the EcoBase<sup>®</sup> backing. Recycling 1 m<sup>2</sup> of post-use EcoBase<sup>®</sup> carpet tiles flooring waste saves 10.0 kgCO<sub>2</sub>e.

### Linoleum flooring

We collect clean post-installation off-cuts or post-use linoleum flooring, sending them back to our plant in Narni (Italy) for recycling. The jute backing is easily separated and used on site as thermal fuel, while linoleum paste from installation off-cuts, is micronized into high quality raw materials and used to produce new Tarkett Linoleum. Linoleum paste from post-use is micronized to become a filler for new Tarkett Linoleum or other products. Recycling 1m<sup>2</sup> of post-use Linoleum flooring waste saves 7.4 kgCO<sub>2</sub>e.

This new work builds on previous studies to better evaluate the contribution of our circular economy commitment to Scope 3 emissions reductions arising from the use of secondary raw materials instead of virgin raw materials. Using data from Tarkett LCAs via SimaPro Software and our GHG emissions reporting we estimate that in 2020 the use of approximately 120,000 tons of recycled material avoids approximately 250,000 tons CO<sub>2</sub>e emissions compared to the use of virgin primary raw materials. This corresponds to the annual GHG emissions of more than 27,000 Europeans<sup>1</sup>. The scale of these GHG emissions savings further underlines the importance of increasing our efforts on our circular economy initiatives:

- > Product eco-design to increase recycled content, low-carbon materials and recyclability;
- > Collection and recycling of post-installation and end-of-use flooring.

<sup>1</sup> EuroStat reported in 2021 that the total carbon footprint of EU-27 was equal to 6.7 tonnes of CO<sub>2</sub> per person in 2019.

Limiting upstream and downstream greenhouse gas emissions (Scope 3)

 Overview of estimated annual Scope 3 emissions<sup>1</sup>

Scope 3 categories	Scope 3 GHG emissions (thousands of tons CO <sub>2</sub> e)	Relevance and actions	Methodology	CSR Report section
<b>Upstream Scope 3 emissions</b>				
3-1 Purchased goods and services	1,344	<p><i>Relevant, calculated</i></p> <p>Tarkett can have an impact on GHG emissions resulting from raw materials by increasing recycled content in our products, as recycled materials contribute less to GHG emissions compared to extraction and transformation of virgin materials.</p>	<p>Scope 3 greenhouse gas emissions were calculated based on 2020 raw material purchases. 164 categories of raw materials were identified in Tarkett's purchase data warehouse (SAP). Total volumes per category were converted to kilograms and then emission factors applied to obtain greenhouse gas emissions. CO<sub>2</sub> emission factors from suppliers' EPDs were used when available. Alternatively, we used generic emission factors from recognized LCI datasets (Ecoinvent, European Life Cycle database, etc.) or generic certified EPDs.</p>	3.6.1 3.7.2
3-2 Capital goods	-	<p><i>Not relevant</i></p> <p>Tarkett does not have significant capital goods except those in our manufacturing sites. The energy consumption from our manufacturing sites are included in our reporting of energy consumption and Scope 1 &amp; Scope 2 GHG emissions.</p>	-	3.7.1
3-3 Fuel and energy related activities (not included in Scope 1 or 2)	68	<p><i>Not relevant, calculated</i></p> <p>Tarkett considers the Scope 3 emissions associated with (i) upstream emissions of purchased fuel, (ii) upstream emissions of purchased electricity and (iii) T&amp;D losses to be not material compared to other categories of Scope 3 emissions which are themselves much greater than Tarkett's combined Scope 1 and Scope 2 emissions for fuel combustion and purchased electricity and heat. Furthermore, Tarkett's efforts and objectives to reduce these Scope 1 and Scope 2 emissions will reduce and limit the Scope 3 emissions for this category.</p>	<p>Scope 3 greenhouse gas emissions were calculated based on 2019 energy consumption multiplied by upstream energy emission factors from ADEME and Internal Energy Agency.</p>	3.7.1
3-4 Upstream transportation and distribution	75	<p><i>Not relevant, calculated</i></p>	<p>Scope 3 greenhouse gas emissions were calculated based on in bound transport (# t.km) multiplied by emission factors (source depending on transport mode: ADEME, France or EPA, US) for 12 plants representing 80% of produced volumes; and based on selected materials covering 75% of inbound volumes for each plant. Total emissions were extrapolated from this base.</p>	
3-5 Waste generated in operations	49	<p><i>Not relevant, calculated</i></p> <p>Although not relevant to overall Scope 3 emissions, waste is a material topic for Tarkett as it aims to eliminate industrial waste sent to landfill and it continues to work towards a circular economy, recovering and reusing more post-industrial and post-consumer waste in its production.</p>	<p>Scope 3 greenhouse gas emissions were calculated based on 2015 data. Emission factors from Ecoinvent and European Life Cycle Database used based on incineration as end-of-life treatment.</p>	3.7.2.1 3.7.2.2

<sup>1</sup> Based on 2020 activity data, except 3.3, 3.4 based on 2019 activity data; 3.5, 3.6, 3.10 & 3.11 based on 2015 activity data; 3.9 based on 2017 activity data; and 3.7 based on 2020 average number of employees

## Limiting upstream and downstream greenhouse gas emissions (Scope 3)

Scope 3 categories	Scope 3 GHG emissions (thousands of tons CO <sub>2</sub> e)	Relevance and actions	Methodology	CSR Report section
3-6 Business travel	8	<p><i>Not relevant, calculated</i></p> <p>Given the small contribution to overall calculated Scope 3 emissions, Tarkett considers this category to not be material and does not calculate it every year.</p>	<p>Scope 3 greenhouse gas emissions were calculated based on 2015 data. Tarkett collected data from business travel agencies which covered flights, car hire, train and car leasing. In the absence of data from agencies the emissions were estimated based on employee numbers (roughly 20% of total calculated emissions). GHG emissions were calculated using the GHG Protocol transportation tool.</p>	
3-7 Employee commuting	6	<p><i>Not relevant, calculated</i></p>	<p>The average number of full time equivalent employees for 2020 was multiplied by an average commuting CO<sub>2</sub> emission factor representative of France (source Carbone 4). The emission factor used assumes that commuting is similar in all geographies to average commuting in France. The emission factor does not take into account actual Tarkett employee commuting habits, nor the increased remote working that occurred in 2020 due to the COVID-19 pandemic.</p>	
3-8 Upstream leased assets	-	<p><i>Not relevant</i></p> <p>Tarkett calculated Scope 3 emissions for its leased offices at its Paris headquarters based on 2015 data. This site represents one of the biggest non-manufacturing sites. Emissions were estimated to be 22 tCO<sub>2</sub>e for this one site. When scaled up to include other similar commercial and administrative sites the total corresponding Scope 3 emissions remain negligible. As such Tarkett considers this category to be not material and does not calculate it every year.</p>	-	
<b>Downstream Scope 3 emissions</b>				
3-9 Downstream transportation and distribution	250	<p><i>Relevant, calculated</i></p> <p>Tarkett limits downstream transportation in part through its local market presence. In 2020 work began on mapping opportunities to optimize transportation and limit associated emissions. Already, in some situations Tarkett's plants have access to rail transportation (e.g.: Otradny in Russia).</p>	<p>Scope 3 greenhouse gas emissions were calculated based on 2017 activity data. Out bound transport (# t.km) multiplied by emission factors (source depending on transport mode: ADEME, France or EPA, US). Missing data for certain divisions has been completed and extrapolated based on activity.</p>	
3-10 Processing of sold products	167	<p><i>Not relevant, calculated</i></p> <p>For this category, Tarkett has considered the greenhouse gas emissions associated with the installation of its flooring products.</p>	<p>Scope 3 greenhouse gas emissions were calculated based on 2015 data. It was assumed that all flooring products are installed using glue. In order to calculate the GHG impact, the sales volumes have been used together with conversions factors from Ecoinvent and SimaPro.</p> <p>The carbon footprint of the installation phase has been determined as following:</p>	

## Limiting upstream and downstream greenhouse gas emissions (Scope 3)

Scope 3 categories	Scope 3 GHG emissions (thousands of tons CO <sub>2</sub> e)	Relevance and actions	Methodology	CSR Report section
3-11 Use of sold products	2,878	<p><i>Not relevant, calculated</i></p> <p>Tarkett recognizes the importance of potential GHG emissions arising from the cleaning of its flooring products during their life. However, given the absence of formal standards it is currently very difficult to calculate accurately or to monitor associated emissions. Furthermore, Tarkett has no control and limited influence on the type of equipment and type of cleaning protocol used by its diverse customers. As such Tarkett considers these Scope 3 emissions to be not relevant compared to other emissions where Tarkett has greater leverage.</p> <p>Nevertheless, Tarkett will continue to develop surface treatments that reduce water and energy consumption during the use phase of our products.</p>	<p>Σ [CO<sub>2</sub> emission adhesive production x amount of adhesives x sales volume] product category. Tarkett's sport surfaces are not included.</p> <p>Scope 3 greenhouse gas emissions were calculated based on 2015 data. The GHG emissions during the use phase included the emissions related to the hypothetical use of water, detergent and electricity to power cleaning equipment. The use phase was considered to be 10 years. 2015 sales volumes were considered and then values from Tarkett's Life Cycle Cost tool used to calculate electricity, detergent and water consumption. Emission factors from Ecoinvent 3.3 were used to convert to tons CO<sub>2</sub>e. A number of limitations were identified, notably: - the variability of LCA / EPD data - the variability on the assumptions of the lifetime of the flooring - the lack of conventional cleaning procedures - the flooring application (hospitality, school, office, home) - the geographical location.</p> <p>Tarkett's sport surfaces are not included.</p>	<p>3.7.2</p> <p>3.7.1.3</p>
3-12 End-of-life treatment of sold products	1,000	<p><i>Relevant, calculated</i></p> <p>Tarkett contributes to reducing GHG emissions resulting from the end-of-use of its products through:</p> <ul style="list-style-type: none"> <li>- design to ensure recyclability of flooring products;</li> <li>- flooring take-back and recycling ReStart® program;</li> <li>- recycling of post-installation and end-of-use flooring (in our manufacturing process or by other industries).</li> </ul> <p>These actions are a key part of Tarkett's Change to Win strategy and Circular Economy Program launched in 2019.</p>	<p>Scope 3 greenhouse gas emissions were calculated based on 2020 raw material purchases. 164 categories of raw materials were identified in Tarkett's purchase data warehouse (SAP). Total volumes per category were converted to kilograms and then emission factors applied to obtain greenhouse gas emissions for the incineration of each raw material. CO<sub>2</sub> emission factors from recognized LCI datasets (Ecoinvent, European Life Cycle database, etc.) or generic certified EPDs were used.</p>	<p>3.7.2.2</p>
3-13 Downstream leased assets	-	<p><i>Not relevant</i></p> <p>Tarkett does not lease any significant assets</p>	-	
3-14 Franchises	-	<p><i>Not relevant</i></p> <p>Tarkett does not have any significant franchise activity.</p>	-	
3-15 Investments	-	<p><i>Not relevant</i></p> <p>Tarkett does not have significant investments outside its manufacturing operations and as such considers this category to be not relevant</p>	-	

Limiting upstream and downstream greenhouse gas emissions (Scope 3)

#### **Limiting the impact during the use phase**

Some of our flooring solutions contribute to reduce energy consumption during the use phase of our products. For example, the Tapiflex, Acczent Excellence Premium and iQ collections, and the Linoleum xf xf<sup>2</sup> collections, contribute to reducing energy consumption during the use phase of our products thanks to surface treatments which limit scratches and the appearance of wear, thus delaying deep cleaning operations which are very energy demanding.

Given that Tarkett flooring and sports surfaces are built to last, they also contribute to limiting GHG emissions from product replacement. For example, Tarkett's Starfloor Click Ultimate 55 collection is backed with Rigid-Core Construction technology, providing greater resistance and durability. Tarkett Linoleum features a special surface finish reducing the maintenance effort and also increasing the life cycle, which if properly maintained can last longer than 20 years. Omnisports floorings are highly resistant, designed to provide durable surfaces and to reduce maintenance costs. The unique product construction is made with solid, heavy, and dense calendared sheets that make the surface resistant to indentation and impact.

#### **Managing waste and increasing the use of secondary raw materials**

One of Tarkett's key strategies to reducing its impact on the climate is to use more secondary raw materials, i.e. increase the recycled content of its products, since secondary raw materials engender fewer greenhouse gas emissions compared to primary or virgin raw materials.

As part of Tarkett's strategic plan Change to Win and its ambition to change the game with the circular economy, Tarkett set the objective of tripling the share of recycled raw materials to 30% by 2030 compared to 2018 (10%). Tarkett identifies three pathways to achieving this objective: (i) optimizing internal recycling of post-manufacturing Tarkett flooring and sports surface waste; (ii) collecting and internally recycling post-installation and end-of-use flooring and sports surface waste and (iii) procuring more secondary raw materials from other industries.

Limiting upstream and downstream greenhouse gas emissions (Scope 3)

### 3.7.2.1 Managing production waste – reduce, reuse, recycle, recover

Recycling waste into valuable new materials emits less carbon than using energy-intensive processes to extract and transform virgin materials. It also places less of a burden on the world's natural resources and, avoids valuable waste heading to landfill or generating carbon emissions through incineration.

In our operations, we are firstly committed to avoiding the production of hazardous and non-hazardous waste. Secondly, where waste is generated Tarkett is committed to managing it responsibly, with in order of preference, its reuse, internal or external recycling or external incineration with energy recovery. Sending waste to landfill is always the last option when no other viable alternative is available. In all cases Tarkett ensures the respect of local waste management and disposal requirements and especially the proper handling and disposal of any hazardous waste. Tarkett's World Class Manufacturing (WCM) network assists plants in developing the capacity to achieve these objectives, to analyze their waste streams, to understand the causes of generated waste, to identify and implement appropriate action plans to reduce waste from operations, to apply the reduce – reuse – recycle – recover hierarchy and to track and report on hazardous and non-hazardous waste volumes.

Recycling initiatives at Tarkett started as early as 1957, with vinyl production recycling at the Ronneby plant (Sweden). Currently 16 plants reprocess and internally recycle their post-manufacturing waste using various techniques such as regrinding and reformulation to produce a secondary raw material. These processes avoid having to send the waste for external recycling, recovery or disposal and enable the material to be used in production in the place of virgin raw material.

Where post-manufacturing waste cannot be recycled and used on-site then it may be sent to another Tarkett site where the facilities and capacity exist to process and reincorporate it into production. For example, our recycling center at Clervaux (Luxembourg) received more than 8,000 tons of post-manufacturing waste and semi-finished products for recycling in 2021 from other Tarkett plants at Sedan (France), Konz (Germany), Lenham (UK) and Jaslo (Poland).

At our parquet manufacturing facilities, sawdust waste is recovered and used as a biomass fuel for heating avoiding fossil fuels or externally sourced biomass. With the opening, in 2019, of a parquet flooring line at Mytishchi (Russia), the site quickly implemented a solution to recover the sawdust and produce pellets for use as a biomass fuel for heating saving approximately 6 MWh of energy a year. It even sells surplus pellets externally. The recovery and use of sawdust waste as a renewable energy source is also implemented at Hanaskog (Sweden), Orzechowo (Poland), Kalush (Ukraine) and Bačka Palanka (Serbia).

In Sports, Tarkett has found a use for post-manufactured turf waste from its Calhoun (US) facility, recycling it into VersaTile a drainage and shock underlayer product.

Where production waste cannot be recycled on-site or at other Tarkett sites or recovered internally, then Tarkett sends it for external recycling and use, or for recovery in other industries. This includes other industrial waste (such as metal, paper, cardboard, electronic waste, used oils, etc.) which are sorted and sent preferably for external recycling or recovery, with disposal to landfill being the last resort.

Limiting upstream and downstream greenhouse gas emissions (Scope 3)

**Zoom on industrial waste**

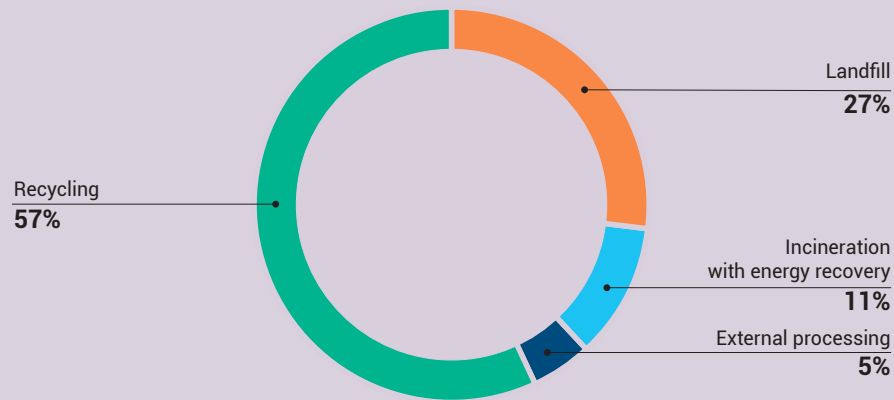
**Waste**

57% of the total waste from our plants (including both production related waste as well as office and canteen waste) is effectively recycled, with 14 plants not disposing of any waste to landfill in 2021. A further 8 other plants do not dispose any industrial waste to landfill, with only office and canteen waste being sent to landfill.

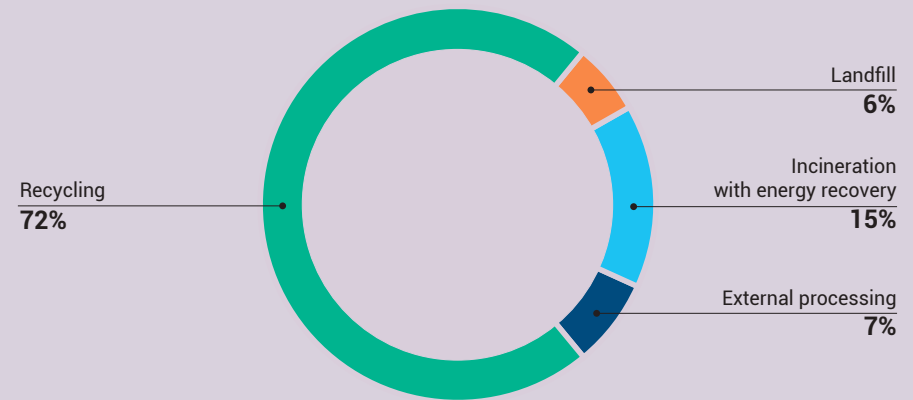
Despite our continual efforts, we have still work to do in some of our plants to achieve our 2025 target of zero industrial waste to landfill, especially in one of our plants in North America which alone accounts for 85% of the Group's waste disposed to landfill (primarily non-hazardous flooring waste). If we exclude this plant, we recycled 72% of our waste in 2021.

Compared to 2020, the quantity of industrial waste (including hazardous waste) disposed to landfill decreased 12% in 2021 at around 24 k tons, mainly due to non-hazardous flooring waste at one of our sites in North America. If we exclude this particular site, the total volume of industrial waste disposed to landfill by all the other production sites of the Group in 2021 amounts to 3,739 tons.

Share of industrial waste (hazardous and non-hazardous) by destination (%)



Share of industrial waste (hazardous and non-hazardous) by destination (%) – excluding one of our sites in North America





Limiting upstream and downstream greenhouse gas emissions (Scope 3)

### 3.7.2.2 Collecting and recycling post-installation and end-of-use flooring and sports surface waste

In addition to recycling our post-manufacturing flooring and sports surface waste Tarkett is investing in a second pathway, to increasing the use of secondary raw materials, with the longer-term goal of scaling up closed-loop post-installation and end-of-use flooring and sports surface collection and recycling. This pathway is more challenging, given the logistics, the technical hurdles of recycling post-use product and the need to engage with multiple stakeholders. However, Tarkett remains convinced that this is a key solution to achieving Tarkett's vision where in the future, all flooring will be recycled enabling Tarkett to become a truly circular company.

#### Developing capacity and solutions for recycling flooring and sports surface waste

Over the years, we have invested and developed our capacity to recycle post-installation flooring scrap and post-used flooring materials in our own manufacturing processes, which required developing on-site recycling units.

In 2021 Tarkett's plant in Jaslo (Poland) was the latest site to develop in-house recycling capacity, recycling vinyl flooring waste collected via ReStart® into secondary raw materials which can be used in production.

Tarkett Sports' Morton Extrusionstechnik artificial turf fiber and infill facility in Abtsteinach (Germany) and Tarkett FieldTurf's artificial turf production plant in Auchel (France) both obtained ISCC Plus certification in 2021 along with the ISCC Plus Sustainability Declaration for the FieldTurf artificial turf. This certification, states both the origin and the proportion of recycled material, providing a guarantee that the plastic is actually made from recycled material. This follows on from the EuCertPlast certification which Morton Extrusionstechnik obtained in 2020 for recycling post-consumer artificial turf. The EUCertPlast certification scheme, which is co-financed by the European Commission under the Eco-innovation program, focuses on the traceability of plastic materials (throughout the entire recycling process and supply chain), and on the quality of recycled content in the end-product. The certification, based on European Standard EN 15343:2007 for plastics recycling and traceability, confirms the plant's use of at least 15% post-consumer artificial turf in the production of FieldTurf's ProMax HydroFlex infill.

These actions are at the heart of FieldTurf's new SURETEC™ program (Sustainable Recycling Technology) which is part of FieldTurf's Sustain the Game sustainability strategy. SURETEC™ is FieldTurf's program to apply plastic recycling technologies internally and externally, with the ultimate goal of creating a circular turf. SURETEC™ relies on chemical recycling using mass balance pyrolysis oil from post-use end-of-life plastics and mechanical recycling converting plastic waste into new secondary raw materials to reduce the amount of virgin plastics used to make artificial turf and infill. The program will also support end-of-life treatment, recycling end-of-life turf to use as new components in new turf systems along with the development of artificial turf from a single polymer to facilitate recycling.

In total, Tarkett counts **eight recycling centers** on its production sites all over the world: Ronneby (Sweden), Clervaux (Luxembourg), Waalwijk (the Netherlands), Narni (Italy), Abtsteinach (Germany), Jaslo (Poland), Otradny (Russia) and Jacaréi (Brazil). The recycling center located in Luxembourg, on the Clervaux site also has the EuCertPlast certification for recycling post-consumer vinyl flooring. It treats both post-manufacturing waste from other Tarkett European sites, and ReStart® collected post-installation and post-use flooring material. The backing produced using this recycled material is used at several vinyl flooring manufacturing sites in Europe and on the vinyl production line in Clervaux.

Tarkett Sports is also collecting and recovering used artificial turf and infill. In Oregon, US, Tarkett has a small facility which recovers infill from retired fields. The recovered turf goes to the facility where the rubber crumb and sand infill materials are separated from the artificial turf. They are then washed and bagged ready for reuse. The artificial turf part is often reused in community or residential applications.

In the US, post-consumer turf is used to make Greenboard, an innovative technology which combines mixed polymer recycled plastics from recycled postconsumer turf to make a durable and 100% recycled fiber-reinforced composite board for use in the installation of artificial field turf.

Limiting upstream and downstream greenhouse gas emissions (Scope 3)

As well as developing the capacity to handle and recycle increasing volumes of flooring and sports surface material, we also continue to conduct research and to trial new recycling techniques with the quest to develop technically and economically feasible solutions to recycle more end-of-life products.

- > For example we are operating in Sweden an in-house developed solution to **recycle Tarkett homogeneous vinyl flooring** produced from 2011 onwards (for more details see section 3.6.2.1 Working collectively towards a circular economy).

### Example

#### Finding technical solutions to build a circular economy – recycling old end-of-life PVC (Polyvinyl chloride) flooring

Tarkett is an active member and promoter of the EU project "Circular Flooring", aimed at developing environmentally friendly recycling of post-consumer PVC floor coverings. The project is managed by the Circular Flooring consortium consisting of eleven companies and research institutions from Austria, Belgium, France, Germany and Greece and led by the Fraunhofer Institute for Process Engineering and Packaging IVV in Freising (Germany). The project is focused on the recovery of a PVC compound from post-consumer PVC floor coverings and the separation of legacy plasticizers in order to create a recycled material for the manufacturing of new PVC floor coverings. End-of-life flexible PVC floor coverings potentially contain 'legacy plasticizers' which may no longer be used today for reasons of consumer protection (EU REACH requirements) and which in the meantime have been replaced in the EU by safer alternatives. A solvent based technology called CreaSolv® was developed to separate the legacy plasticizers, thus making it possible to retain valuable resources in the circular economy.

The CreaSolv® Recycling Process also converts the legacy plasticizers into REACH-compliant plasticizers. To date, the first four milestones of Circular Flooring have been reached:

- > Pilot scale for the recycling of PVC flooring waste justified
- > CreaSolv® Process for Circular Flooring customized
- > Hydrogenation route for legacy plasticizers developed
- > Possible PVC formulations developed

In 2021 the work focused on the construction of a CreaSolv® PVC prototype recycling plant at the Fraunhofer Institute in Freising (Germany), which is due to be operational in 2022. The aim of the EU project Circular Flooring, which is due for completion in 2023, is to elaborate on the technical and commercial feasibility of this recycling process for PVC floor coverings at an industrial scale, thus preventing usable resources (PVC, plasticizers) from being landfilled or incinerated, reducing CO2 emissions, and contributing to European circular economy and climate neutrality objectives.

Limiting upstream and downstream greenhouse gas emissions (Scope 3)

### **Collecting and recycling post-installation and end-of-use flooring: the ReStart® program**

**ReStart® a flagship Tarkett program for flooring waste collection and recycling, meets a double goal:**

- > Increasing the collection of post-installation and end-of-use Tarkett flooring (or in some cases from other flooring manufacturers), to obtain a growing volume of secondary raw materials and limit the need for virgin resources, thus developing a circular model with quality and economically viable products; and
- > Offer our customers a responsible, cost-effective, circular solution to contribute to safeguarding the world's natural resources, protecting the environment, and avoiding incineration or landfilling.

Flooring taken-back via ReStart® is primarily meant to be reinjected into our manufacturing cycle, but we also evaluate other "open-loop" recycling opportunities when relevant.

At the end of 2021 the ReStart® program is proposed in several formats in different countries in Europe (Sweden, Norway, Finland, Denmark, France, United Kingdom, Belgium, Netherlands, Luxembourg, Germany, Austria, Switzerland, Poland, Italy, Spain, and Portugal), Brazil and North America:

**In Europe** we are mainly collecting vinyl installation off-cuts and post-use carpet tiles. Since 2019 we are proposing the ReStart® take-back and recycling service for vinyl at no cost to our customers in an effort to encourage them to join and participate to the transition to a circular economy. For vinyl flooring, Tarkett provides big-bags and organizes the collection of post-installation or end-of-use (currently for post-consumer homogeneous flooring installed since 2011) materials which are sent to our recycling centers either at Clervaux (Luxembourg) or Ronneby (Sweden). In France we also use PVC Next network operated by Kalei for the recycling of other types of post-use vinyl flooring materials. They are sent to Germany to the AGPR (Association for the Recycling of PVC Floor-Coverings). We are developing local partnerships with logistical operators, such as Veolia (France) and Krujs (the Netherlands), to carry out the waste collection and in some cases preliminary sorting. Once at our recycling centers the waste is sorted then assessed before processing and reintegration into our production process. For carpet flooring, Tarkett provides a support to facilitate the on-site collection, then the waste flooring is sent to our carpet recycling center in Waalwijk (the Netherlands) for recycling. We are also taking back linoleum for recycling at our Narni site (Italy). In 2021, Tarkett started the collection of vinyl installation off-cuts in Poland and Baltic countries (Estonia, Latvia and Lithuania).

**In France**, Tarkett joined other building material manufacturers in July 2021 to create Valobat a not-for-profit eco-organization dedicated to developing the collection and recycling of post-use building products and materials in France. Valobat will provide its members with a solution to meet the new extended producer responsibility (EPR) obligations in France. The French 2020 law on tackling waste and developing a circular economy will require manufacturers of building products and materials to organize or delegate the management of end-of-life waste collection and recycling.

**In Brazil**, Tarkett's local teams launched ReStart® in 2019 following a pilot phase in 2018. Tarkett takes back post-installation material for vinyl composite tiles, luxury vinyl tiles, as well as homogeneous and heterogeneous resilient flooring from clients close to our site at Jacareí for recycling.

**In Australia**, Tarkett continued to work in 2021 with local stakeholders to develop a functional ReStart® take-back and recycling solution for the Australian market. In one trial in Perth, Western Australia, Tarkett successfully diverted over 20 tons of carpet tile from landfill. Here, Tarkett partnered with contractor Malco flooring who uplifted and stacked carpet tiles, sorting waste from useful product, successfully finding a second life for the recovered carpet tile. In New Zealand Tarkett continued to work with leading commercial and residential flooring distributors to support their local sustainability initiatives in collecting offcut flooring waste for our ReStart® program. To further succeed in developing our local ReStart® program, as well as meet with Australian plastics export requirements, Tarkett has placed an order for a granulator to be commissioned in 2022. This machine will allow collected heterogeneous and homogeneous vinyl flooring, linoleum, and select Luxury vinyl Tiles products to be granulated into production-ready size material. This process will also increase our shipping efficiency when sending the product back to our recycling facilities.

**In North America**, the program has existed since the end of the nineties for collection and recycling of carpet tiles and was expanded to vinyl flooring in 2010. ReStart® collection and recycling has been and remains predominately post-use rather than post-installation. The challenge is to develop logistics solutions, notably finding the right logistical partners, to collect and recycle larger volumes of post-use products and the small quantities of post-installation flooring waste as well as re-introducing materials into existing products.

Limiting upstream and downstream greenhouse gas emissions (Scope 3)

**Recycling, re-covering and reusing artificial turf and reusing infill – FieldTurf’s “Goal zero”**

In North America as part of its Goal Zero program to divert job-site and manufacturing waste from landfill, Tarkett FieldTurf is expanding its partnerships with recycling facilities to be able to recycle artificial turf once it’s reached the end of its life. FieldTurf also encourage extending the life of its clients pitches by re-covering the existing surface with a new artificial turf on top. The process repurposes the existing field to help provide added safety and performance to the new field. When renewing artificial turf, FieldTurf propose to collect the old surface and divert it from landfill by giving it new life through a reuse program. FieldTurf is also working with customers to extend the life of their fields by reusing their infill, reducing their costs and their carbon footprints.

**Example**

**Contributing to IKEA’s goal to become circular by 2030 with Tarkett’s ReStart® collection and recycling program**

Tarkett collaborated with IKEA in Sweden to transform used Tarkett flooring from one store into new flooring for another store. Tarkett recovered 10,000 square meters of old flooring from an IKEA store in Stockholm (Sweden) as part of its ReStart® take-back and recycling program. The recovered post-use homogeneous vinyl flooring, which was processed at Tarkett’s on-site recycling facility in Ronneby (Sweden), was ground and cleaned of glue and concrete residue using an in-house developed process. The recycled materials were then used to produce new flooring for another IKEA store. In total the project is estimated to have saved close to 100 tons of CO<sub>2</sub> emissions. A further 40 tons of CO<sub>2</sub> were saved during a similar renovation project for an IKEA store in Arlon (Belgium). Tarkett collected more than 4,500 square meters of used old flooring. The granulate obtained formed the basis for new homogeneous vinyl flooring.

**Example**

**Tarkett provides ReStart® take-back and recycling service to major insurance company in Canada**

Tarkett provided a major insurance company in Canada with its ReStart® take-back and recycling services in 2020-2021 as part of a large workplace renovation project. Sustainability criteria were a key part of the tender, which notably required the recycling of the old flooring. Through effective collaboration between the different parties 43,224 pounds (19.6 metric tons) of old carpet flooring was removed, palleted and transported for recycling. Furthermore, some of the existing Tarkett carpet tiles that still looked great were able to be relocated and re-purposed. For the new surfaces, the client chose from a range of flooring solutions from Tarkett Solution SPECTrum™’s portfolio, including both soft and resilient surfaces and accessories.

**Zoom on key indicators**



**Flooring collection and recycling program ReStart®**

From 2010 to 2021, Tarkett has collected close to 111,800 tons of flooring (post-installation and end-of-use flooring: vinyl, linoleum, carpet). In 2021 3,200 tons of installation scrap and used flooring were collected through the ReStart® program, up on 2020 (3,000 tons) though still slightly under the pre-COVID-19 level (3,300 tons in 2019).

Encouraging progress was made in Europe thanks notably to our unique carpet recycling center in the Netherlands, our vinyl recycling center in Sweden and our linoleum recycling center in Italy. Together these three recycling centers have increased their ReStart® collection by 69% compared to 2019. In North America, the launch of our newer products designed for recycling will allow us to significantly increase the recycling of post-consumer carpet in the coming years. See below for more explanations and details on the challenges of flooring collection and recycling.

Limiting upstream and downstream greenhouse gas emissions (Scope 3)

1. **Developing practical solutions and finding the right partners for collection and sorting in each market to facilitate the recovery of recyclable materials.** For example, Veolia in France, Kuijs transport in the Netherlands and Verhoek in Germany.
2. **Onboarding customers, with a simple, cost-effective ReStart® take-back and recycling service.** We are actively inviting our customers to join our ReStart® take-back program which help them manage their flooring waste while contributing to the implementation of a circular economy. As project owners are increasingly including site waste management in their calls for tender, ReStart® allows Tarkett's customers to sign up simply to our local take-back and recycling program for flooring. For example, Tarkett now proposes in Europe the ReStart® service for vinyl flooring at no extra cost.
3. **Collaborating, sharing experiences and contributing to the push for a circular economy friendly framework.** Tarkett contributes and participates in various platforms to share experience, learn from others and promote a framework that facilitates the transition to a circular economy (for more details see below Tarkett feedback and section 3.6.2.3 Building a circular economy together).

Our commitment and our actions over the past several years have enabled us to understand and better grasp the challenges and opportunities for developing the circular economy on the ground. The volumes collected in 2021 and 2020 were lower than 2019 due to the impact of the COVID-19 pandemic. A number of other factors can also explain the longer term trends:

- > First of all, the principle decrease in volume concerns **North America**, where collected volumes of post-use flooring have declined over the past few years. The main reasons

being commercial (end of key client contracts), technical (difficulties for separating the different layers to be recycled, materials traceability and compatibility with the composition of new eco-designed products) as well as structural (reverse logistics, regulations lacking incentives, lack of client demand).

- > In **Eastern European** we are mainly supplying the residential market. It is therefore very difficult to collect floor coverings that have been dismantled during installations, which are often carried out by private individuals. Furthermore, as opposed to Western Europe, there is very limited stimulus for recycling by local authorities.
- > In **Europe**, before the development of our carpet recycling center in the Netherlands, we had limited capacity to disassemble and recycle post-installation and end-of-use carpet tiles. Post-consumer vinyl flooring collection and treatment have also been very limited or even non-existent. This has been partly compounded by the current lack of viable technologies to remove glue and separate legacy chemicals that are no longer authorized.
- > Finally, concerning **sports surfaces**, in most markets there are no tried and tested solutions for recycling the old product and generating a useful secondary raw material. For example, in North America the cheapest solution often remains landfill, making it hard to onboard cost-conscious local public authorities when proposing more costly alternative solutions to recover and recycle used artificial turf. This is however changing as Tarkett develops and trials field turf recycling in North America and Europe.

Limiting upstream and downstream greenhouse gas emissions (Scope 3)

In summary, Tarkett is taking action to identify, develop and implement solutions in response to these current challenges and to contribute to the implementation of a circular economy.

Challenges	Potential solutions / Tarkett initiatives
<p>1. Old post-use flooring not compatible as a secondary raw material for new generation flooring products</p>	<ul style="list-style-type: none"> <li>&gt; Looking for other uses for recycled flooring and sports surface materials</li> <li>&gt; Developing technologies and industrial processes to make vinyl flooring and carpets easier to recycle after use</li> <li>&gt; The majority of Tarkett's current generation of product are better designed and more adapted to recycling in the future</li> <li>&gt; Tarkett's New Product Development Process includes steps to check to ensure design for recycling of future products</li> </ul>
<p>2. Technical and capacity difficulties to recycle old product</p>	<ul style="list-style-type: none"> <li>&gt; Tarkett's carpet recycling center in the Netherlands</li> <li>&gt; Homogeneous vinyl flooring recycling in Sweden</li> <li>&gt; Trials with solid wood parquet recycling in Sweden</li> <li>&gt; Supporting the European project Circular Flooring to scale up old PVC flooring recycling</li> <li>&gt; Field turf recycling in Germany at Tarkett's third-party certified recycling center</li> <li>&gt; Development of products, such as Greenboard and Versatile, made from recycled turf</li> </ul>
<p>3. Lack of structure and incentives to promote recycling and barriers related to the use of secondary raw materials</p>	<ul style="list-style-type: none"> <li>&gt; Tarkett engaging in dialogue to share experiences and challenges with public authorities to promote a regulatory framework more favorable for recycling</li> <li>&gt; Tarkett encouraging customers to join its ReStart® take-back and recycling program</li> </ul>

**Eco-designing the flooring installation system for easy removal and effective recycling**

Tarkett endeavors to integrate easy removal right from the design stage, ultimately allowing more efficient collection, sorting and recycling. Beyond the flooring product itself, the challenge is to design flooring systems including products, installation, and removal methods, which facilitate the collection of flooring at end-of-use while allowing the separation of different layers and materials.

For example, the modular vinyl ranges, such as iD Click Luxury Vinyl Tile ranges, with their unique click system which makes for a floating installation, without the need of adhesives

enabling the flooring to be very quickly laid and easily removed. In North America, Tarkett has the modular range of flooring, ProGen™, which is waterproof, and resistant to shocks, traffic, and heavy use, while being easy to install and remove thanks to a fast lock mechanism. Quick-Fix carpet tiles (produced in partnership with Velcro®) and the Tape+ / Tape products offer solutions so that carpets can be installed, re-installed, and recycled easily, without damaging the flooring surface. Our modular resilient flooring iD Revolution can also be installed with a tackifier, enabling quick installation and removal. For indoor sports Tarkett proposes Greenlay™ a loose-lay installation method for Omnisports surfaces. With only 2% of surfaces glued the end-of-life recovery is facilitated enabling the surface to be easily removed, taken back through Tarkett's ReStart® program and recycled.

Limiting upstream and downstream greenhouse gas emissions (Scope 3)

### 3.7.2.3 Using secondary raw materials from other industries

The third pathway to increasing the recycled content of Tarkett products comes through open-loop recycling, obtaining recycled materials from other industries as an alternative to virgin raw materials.

More and more, our teams are looking to procure secondary raw materials to reduce our exposure to the price volatility of fossil-based materials and to meet our climate and circular economy objectives. We are sourcing recycled materials from several different partners in different industries. These include Econyl® fibers from Aquafil, an Italian company, which are composed of 100% regenerated nylon threads from pre and post-consumer nylon waste, such as discarded fishing nets, textile scraps and used fiber waste from our Desso® carpets; upcycled chalk from a drinking water distribution company in the Netherlands, which is used in our EcoBase® carpet backings; post-industrial glass or marble powder waste material recycled for use in our Ecobond carpet backings; post-industrial diaper film waste material recycled for use in sports ProMax infill; post-industrial automobile shock absorbing waste material recycled in sports field underlay and recycled PVB from safety glass used in resilient flooring in Europe and in carpet backing in North America.

One of the main challenges of initiatives to promote the use of recycled materials is to trace the precise composition of materials that we incorporate into our manufacturing processes, and to guarantee their health and environmental quality. In addition to recycling our own products, we only work with partners able to provide this traceability, and which can guarantee a consistent level of quality in line with our specifications.

At our sport facility in Toronto, Canada, Tarkett's subsidiary ThermaGreen makes shock and drainage pad sports field underlay from 99% post-industrial waste sourced from the automotive industry. The shock absorbing material found in automobile parts such as the dashboards and panels are recycled and used to make SportLite a nonwoven geotextile shock & drainage pad.

At our Suzhou plant in China, we locally source recycled marble for use in our EcoBond carpet backing. The marble, which comes from home interior decoration post-industrial waste, is ground to a powder for use as a secondary raw material filler for the carpet backing.

At our yarn and infill production site in Abtsteinach, Germany, Tarkett uses recycled post-industrial diaper film in the production of FieldTurf ProMax products. The diaper film, which

is designed to make diapers breathable, is composed of two ingredients, linear low-density polyethylene and calcium carbonate, which are both used to make Promax products.

At our carpet plant in Waalwijk, the Netherlands, Tarkett has invested over the last years in expanding our EcoBase® production facility to increase production and replace traditional bitumen-based carpet backing in all our carpet tile ranges. As detailed in our 2020 CSR Report, the Gold level Cradle to Cradle Certified® Desso EcoBase® carpet backing contains at least 75% chalks, derived from upcycled waste chalk. To date we have used more than 100,000 tons of recycled chalk for our carpet tiles.

#### Example

##### Using recycled post-use polyvinyl butyral (PVB) from safety glass in our floorings

Polyvinyl butyral (PVB) resin is a tough, clear, adhesive, and water-resistant plastic film. PVB is primarily used as a raw material for laminated safety glass in car windscreens, buildings, and solar panels.

Tarkett has worked closely with two innovative companies to incorporate post-use recycled PVB instead of virgin material in its product formulation. These European companies both developed a treatment process to clean and recycle post-use PVB, transforming this once unrecyclable material into a high-quality secondary raw material that can be used by the automotive, construction and plastics industries. Tarkett employs the post-use recycled material in our iD Revolution resilient modular tiles.

Importantly, recycled PVB has a carbon footprint that is 25 times lower than virgin PVB, so it helps us to reduce our Scope 3 greenhouse gas emissions. iD Revolution, a Gold level Cradle to Cradle Certified® resilient modular flooring, achieves Cradle to Cradle® Platinum level for material health. More than 83% of the materials used to make iD Revolution are either recycled, mineral or bio-sourced, helping to conserve natural resources. This includes 24% recycled PVB, 11% bio-plastic (PLA) and 49% chalk, a mineral found abundantly in nature.

In the US, through a similar long-lasting cooperation with another company, we incorporate recycled post-use PVB in our ethos® Modular with Omnicat Technology™, a high-quality soft surface floor solution made from healthy, safe materials, including 33% post-consumer recycled PVB. From 2004 to 2021, we reused around 37,000 tons of PVB films from 36 million windshields.

Limiting upstream and downstream greenhouse gas emissions (Scope 3)

## Zoom on key indicators

### Recycled Materials

In 2021, we used a little more than 146,500 tons of recycled materials<sup>[1]</sup> as an alternative to virgin materials, which represents close to 15% of our raw materials used. Our target, set as part of our Change to Win strategy, is to triple the 10% share we had in 2018 to 30% by 2030.

*[1] Recycled materials: Materials that would otherwise have been sent for waste disposal (incineration or landfill); internal post-manufacturing recycled volumes are included.*

### 3.7.2.4 Sourcing renewable, low carbon, raw materials

Renewable raw materials, like recycled secondary raw materials, represent a low carbon solution and a way to limit the life cycle greenhouse gas emissions of flooring. Tarkett uses various renewable raw materials, such as wood in parquet and laminate flooring, jute in linoleum flooring and bio-based plastics in modular resilient flooring such as iD Revolution (see section 3.6.1.1 Selecting and sourcing sustainable materials to preserve natural resources).

Tarkett launched in 2020 the **world's first floor to use bio-attributed PVC** certified through the Roundtable on Sustainable Biomaterials (RSB). The iQ Natural homogeneous vinyl flooring collection with Tarkett's ReStart® collection and recycling post-use provides architects, designers and property owners with a flooring solution offering more than 60%

less embodied carbon<sup>1</sup> (i.e. less greenhouse gas emissions for the life cycle stages from cradle to gate and end-of-life), when compared to average homogeneous vinyl floors<sup>2</sup> which are incinerated with energy recovery, making it one of the lowest carbon footprint resilient floorings solutions on the market. Our vinyl homogeneous flooring iQ Natural which already used bio-based plasticizer was the first product to be launched using a bio-attributed vinyl – BIOVYN™ - substituting 100% of fossil feedstock by renewable biomass. See our 2020 CSR report for more details.

In 2021 Tarkett's Brazilian plant in Jacareí implemented a new Luxury Vinyl Tile (LVT) line which uses a new bio-plasticizer technology along with more than 60% recycled PVC in the core layer.

<sup>1</sup> The emissions caused in the materials production and construction phases (A1-5) as well as the carbon emissions associated with post-use phases (C1-4), where iQ Natural is collected and recycled through Tarkett's ReStart® program and the average industry flooring is incinerated with energy recovery. Embodied carbon: total greenhouse gas (GHG) emissions (often simplified to "carbon") associated with materials throughout the whole lifecycle of a building (including upfront emissions, use stage emissions and end-of-life emissions). Source: "Bringing embodied carbon upfront" World Green Building Council 2019

<sup>2</sup> ERFMI 2019 EPD for Homogeneous polyvinyl chloride floor coverings



Balancing remaining greenhouse gas emissions and offering net-zero carbon products

### 3.7.3 Balancing remaining greenhouse gas emissions and offering net-zero carbon products

While focusing on reducing the Tarkett's Scope 1, 2 and 3 greenhouse gas emissions through environmental management, eco-design, supplier engagement and circular economy solutions Tarkett is also responding to customer demand for products which contribute to green building certification standards with Cradle to Cradle Certified® products and net-zero carbon products where partial or total remaining greenhouse gas emissions are offset.

In our North American market, Tarkett announced, at the occasion of the US 2020 GreenBuild expo, an expanded number of net-zero carbon flooring products. This initiative builds on existing steps to reduce the embodied carbon of Tarkett products by designing for a circular economy, increasing the use of healthy, recycled materials, and by lowering the impact of manufacturing through improvements in energy efficiency and the increased share of renewable energy.

As part of the Carbonfund.org's Carbonfree® Product Certification program, Tarkett has measured the greenhouse gases emitted when manufacturing, delivering and installing products for its customers. These emissions are then balanced through the purchase of third-party verified carbon offsets. The Carbonfree® product certification offsets life cycle greenhouse gas emissions, based on the products' annual sales and carbon footprint established through life cycle assessments.

In 2021 the Carbonfree® product certification program supported a project in India on wind power. The project involves the implementation of 136 Wind Turbine Generators in the Tamil Nadu and Karnataka states of India which will provide a 159.75 MW capacity. This follows from a Verified Carbon Standard project for waste energy recovery co-generation in South Korea which was supported in 2020.



In our European market, Tarkett launched in 2021 its Carbon Conscious Program giving the possibility for customers to balance cradle to gate and end-of-life related greenhouse gas emissions for products through the REDD+ Business Initiative Tambopata-Bahuaja Biodiversity Reserve Verified Carbon Standard (VCS) project. Tarkett firstly reduces carbon emissions through rigorous product design and manufacturing processes, then Tarkett offers to balance the remaining emissions through the Carbon Conscious Program, with externally verified carbon credits. This is in addition to proposing Tarkett's ReStart® take-back and recycling program to recycle post-installation and end-of-use flooring waste into new secondary raw materials, which also contributes to reducing greenhouse gas emissions.

Tarkett is already offsetting greenhouse gas emissions for certain other products to obtain a given level of certification under the Cradle to Cradle Certified® product standard. For example, Tarkett's 5 Gold level Cradle to Cradle Certified® products (Desso Ecobase® PA6 solution dyed carpet tiles and Desso EcoBase® Carpet Tile Backing; iQ One and iD Revolution resilient flooring; Linoleum flooring) are required to offset 50% of the final manufacturing stage GHG emissions. Tarkett obtains the required number of carbon credits through the REDD+ Business Initiative Tambopata-Bahuaja Biodiversity Reserve project. The project is validated by the Verified Carbon Standard (VCS) and the Climate, Community, and Biodiversity Standard (CCB) (see for more details section 3.9.2.4 Supporting development projects worldwide).

Tarkett's carpet manufacturing plant and recycling center in Waalwijk, the Netherlands, is the first Tarkett plant to achieve net-zero Scope 1 and Scope 2 greenhouse gas emissions. This was achieved in 2021 by purchasing carbon credits equivalent to its natural gas consumption. The plant has already been purchasing renewable electricity for over five years. The CO<sub>2</sub> emissions from the consumption of natural gas for heating and production are compensated with Verified Emission Reduction (VER) certificates that are linked to a specific investment in sustainable energy projects in developing countries.

## 3.8 Creating solutions for greater indoor air quality and safe, healthy spaces for our customers

We have established policies, programs, and specific initiatives to manage the identified material risks and opportunities. Our progress in addressing these risks and opportunities is monitored with specific key performance indicators. These elements are summarized in the following table along with our objectives and results.

Opportunities / Risks	Policies / Actions	Key Performance Indicators	2021	2020	2019	CSR Report section	Contributing towards UN SDGs
Product safety and quality (evolving health and environmental regulations, standards and/or customer's expectations)	> Materials selection and assessment as part of NPDP to develop products with low levels of VOC emissions	Percentage of flooring with low VOC emission levels	99%	98%	98%	3.8.1	
	> Use of phthalate-free plasticizer technology for our vinyl flooring	Percentage of phthalate-free flooring <sup>1</sup>	95% <sup>2</sup>	97%	74%	3.8.1	

<sup>1</sup> Except recycled content for certain products

<sup>2</sup> At the end of 2020, 100% of our vinyl production sites in Europe, North America, Serbia and China use phthalate-free plasticizer technology

### Product safety

Tarkett is committed to ensuring and enhancing product safety through its Tarkett Human-Conscious Design® approach. This approach applies Cradle to Cradle® principles and methodology, with the design and careful choice of materials contributing to healthy spaces and indoor air quality. For our sports surfaces, keeping athletes safe has and will always be the first priority for Tarkett. FieldTurf and Beynon Sports, our field and track companies, are committed to improving performance and safety through research and innovation, continually looking to find new ways to reduce the risk and severity of sports injuries. This focus on safety has led to a number of injury-reducing innovations and improvements both on field and on track. Additionally, Tarkett's group-wide quality management system, with 85% of plants certified ISO 9001, ensures the strict application of procedures to ensure product quality and safety, both during installation and use. From design to installation at the customer's site, Tarkett's quality management guarantees the conformity of the products to all applicable standards and regulations regardless of the country where the product will be used. To carry out these controls, Tarkett relies on the competence of its internal laboratories as well as certified independent laboratories. The quality management system is under the responsibility of the Group Quality Director, reporting to the Executive Vice President of R&D and Operations, a member of Tarkett's Executive Management Committee. This system incorporates relevant product safety risk

assessments, monitoring, incident investigation and end-user feedback. Over and above ensuring the general safety of its flooring and sports surfaces, Tarkett also provides safety enhanced flooring solutions for specific applications (e.g. slip resistant flooring for trains, buses, planes, wet rooms, schools, health care facilities, ...). For these specific applications all products are validated and controlled according to specific standards and regulations where they exist (for example the IMO standard for reaction to fire, applicable in the maritime sector or the vertical flammability test FAR 25.853 for aviation). Tarkett provides details on all relevant standards and specifications for each product through the product "technical data sheet".

In Australia, where confusion often exists in relation to sustainable slip resistance in settings where flooring surfaces get wet or contaminated during normal use, Tarkett has taken further actions to educate and reassure clients. For example, Tarkett updated Continuing Professional Development (CPD) presentations for architects on Slip & Wellbeing to align to the revised AIA (Architects Institute of Australia) requirements. Tarkett Australia also published in 2020 a specific white paper "Raising the Safety Floor: A Guide to Slip Resistance in Flooring Specification" providing a concise guide to safety flooring, sustainable slip resistance requirements and testing, and design considerations relevant to flooring specification.

Contributing to healthy spaces and indoor air quality

### 3.8.1 Contributing to healthy spaces and indoor air quality

#### Flooring with low VOC emissions

Tarkett is committed to designing products which help create healthy indoor spaces and preserve indoor air quality in accordance with our Tarkett Human-Conscious Design® approach. This challenge is especially critical for the most sensitive populations such as the elderly, young children, or people with allergies or asthma. One international study found 14% of children to suffer from asthma<sup>1</sup> and it is widely reported it is a major cause of school absenteeism. It has also been found that productivity can increase when indoor air quality improves<sup>2</sup>. All in all, today, people spend 90% of their time indoors, and in the wake of the global Covid-19 pandemic, doing so has become even more central to our daily lives. Among the contributors to indoor air pollution are volatile organic compounds (VOCs) – gases emitted at room temperature by chemicals found in everything from paints, varnishes and glue to everyday cleaning products. Since 2011, Tarkett has been a pioneer in developing flooring with low or ultra-low levels of Volatile Organic Compounds (VOC) emissions in nearly all of its product ranges. Tarkett offers products with total VOC emissions that are 10 to 100 times lower than the most stringent world standards, at levels that are so reduced they are non-quantifiable<sup>3</sup>. This effort had been recognized by several certifications:

- > The modular vinyl Starfloor Click was recommended by the Swedish association against asthma and allergies in 2015.
- > The Asthma and Allergy Foundation of America (AAFA) awarded the **asthma and allergy friendly**® certification to all FiberFloor® vinyl ranges as well as to other products (iD Inspiration®, Acczent, and several laminated ranges).
- > In 2020 Tarkett obtained the **seal of approval from Allergy UK** for two new product ranges, Tarkett's Omnisport flooring ranges for leisure and sports areas, which join the linoleum ranges which received the label in 2018 from the British association Allergy UK, which is valid in 135 countries.
- > Several vinyl and linoleum ranges manufactured in Europe are subject to regular plant audits by Eurofins (an international laboratory network conducting consumer product testing) to ensure that our products have low or very low levels of VOC emissions (Tarkett labels « Indoor Air Quality Gold » and « Indoor Air Quality Platinum »).

In the US, Tarkett brought together experts from the architecture and design community in October 2021 for a series of free webinars during the National Indoor Air Quality Month. Given that the US Environmental Protection Agency (EPA) estimates Americans spend roughly 90 percent of their time indoors, where the concentration of some pollutants can be more than double what one would experience outdoors, the discussions highlighted the importance of healthy indoor spaces for their inhabitants. The webinars looked at how building professionals can prioritize health and wellness, as well as building design and construction, notably through using industry resources, standards, and certifications to achieve maximum impact on healthy spaces through product transparency. The discussions also gave an understanding of the impact building materials and indoor air quality (IAQ) can have on human health.

Tarkett North America offers both residential and commercial flooring solutions that have been certified asthma & allergy friendly® by AAFA. This certification program helps people make informed purchases for healthier homes, schools and workplaces. Only those products that pass stringent tests are awarded the designation. For flooring to be certified asthma & allergy friendly®, AAFA's independent third-party testing must show that the floor is easily cleaned and has a low capacity for retaining allergens. The certification process involves testing not only the product itself, but also the installation method and recommended cleaning process as a complete system to ensure no harmful materials are introduced while installing or cleaning the floor. In 2020, Tarkett donated more than 2,000 square meters of asthma & allergy friendly® certified flooring through a partnership with Breathe EASY project in Washington D.C. (US) (see 2020 CSR report for more details).

#### Phthalate-free flooring

Phthalates are mainly used in the plastics industry, to give the plastic a certain flexibility. The potential impact on human health of certain phthalates in this group of chemical products is the subject of scientific debate and is regularly featured in regulatory news and general public news stories, notably through work carried out by health agencies that assess the impact of substances on health and the environment (ANSES in France and EFSA at the European level); at the level of ECHA (European Chemicals Agency), within the framework of evolutions in REACH and CLP regulations<sup>4</sup>; or in information campaigns run by health and environmental protection non-profit organizations.

<sup>1</sup> International Study of Asthma and Allergies in Childhood (ISAAC), 2007

<sup>2</sup> Estimates of Improved Productivity and Health from Better Indoor Environments, 1997 William J. Fisk and Arthur H. Rosenfeld

<sup>3</sup> Total VOC at 28 days < 100 µg/m<sup>3</sup> or even < 10 µg/m<sup>3</sup>

<sup>4</sup> REACH: Registration, Evaluation, Authorization and Restriction of Chemicals; CLP: Classification, Labelling and Packaging of substances and mixtures

Contributing to healthy spaces and indoor air quality

Since 2010, Tarkett has been proactively seeking alternatives to phthalate plasticizers in collaboration with its suppliers. We have considerably invested in research and development and consequently have been able to modify our formulas and our processes to manufacture vinyl flooring with phthalate-free plasticizer technology. These alternative plasticizers can be used for young children's toys and food containers, which have the strictest health standards. Phthalate-free plasticizer technology was first introduced by Tarkett in North America in 2010 and in Europe in 2011, then gradually deployed in Ukraine and Serbia since 2016, and finally at the Otradny site in Russia in 2019 and 2020.

At the end 2021, 90% of our global vinyl production use phthalate-free plasticizer technology (except recycled content for certain products). The remaining 10% relates to vinyl production at our plants in Brazil and Russia.

At some sites, we also use recycled contents in addition to virgin raw materials for some products which may then contain traces of phthalate plasticizers. Since the end of 2019, our European sites produce 100% phthalate-free vinyl flooring, recycled content included.

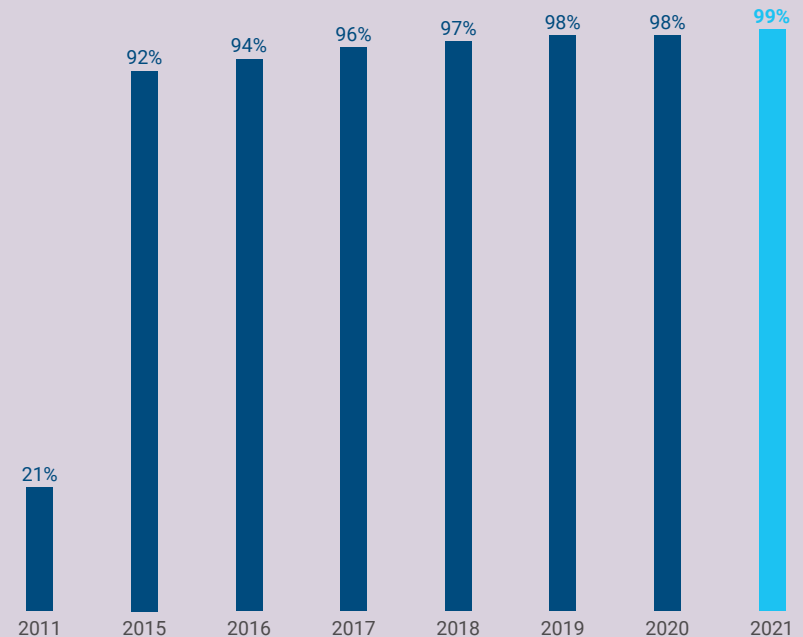
The entire flooring industry gradually follows our example in the interest of flooring customers and users: for example, in North America, certain DIY, home improvement and decoration retailers, such as Lowe's, Menards and Home Depot, have changed their supplier specifications to exclude phthalate products.

### Zoom on key indicators

#### Indoor air quality

Tarkett contributes to customer health and well-being with flooring products that contribute to indoor air quality. In 2021 99% of our flooring have low total VOC emissions (<100 µg/m³). The remaining percentage is explained by a small volume of carpet and rubber flooring.

#### Percentage of flooring with low VOC emission levels



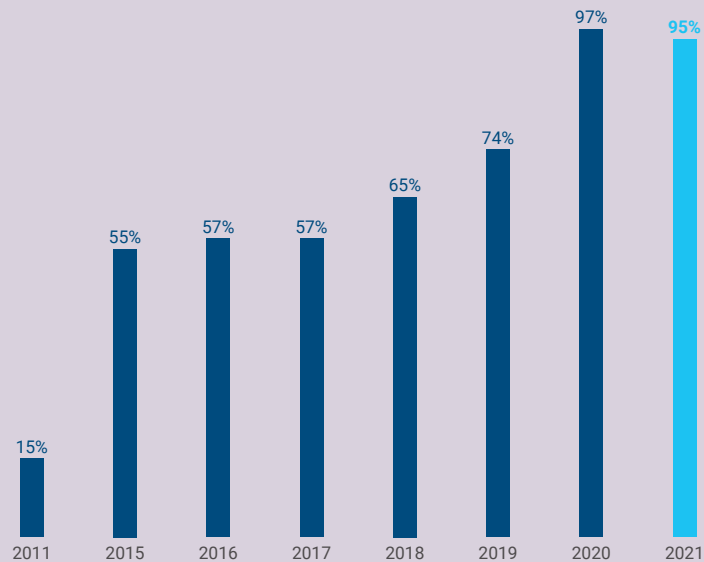
Contributing to healthy spaces and indoor air quality

**Zoom on key indicators**

**Phthalate-free flooring**

All plants, except our vinyl flooring plant in Brazil and a small volume of the vinyl flooring produced at our plant in Russia produce 100% of phthalate-free vinyl flooring. Furthermore, our carpet flooring was also 100% phthalate-free (excluding recycled content) in 2021, and 98% phthalate-free when including recycled content. At the end of 2021, 100% of our vinyl production sites in Europe, North America, Ukraine, Serbia, and China use phthalate-free plasticizer technology. For the full year 2021, at a global level, this translates to 95% of volumes being phthalate-free compared to 97% in 2020, 74% in 2019, 65% in 2018 and 57% in 2017. This exceptional progress reflects the significant efforts to deploy the phthalate-free plasticizer technology in Russia (hampered in 2021 by raw material shortages), Ukraine and Serbia taking into consideration that deployment also depends on availability of plasticizers alternatives (in volumes and in quality).

**Percentage of phthalate-free flooring**



**Dust retaining flooring**

Tarkett has developed carpet tiles which retain dust particles: the AirMaster® carpet tile combined with the EcoBase® backing range is designed using a patented technology which retains four times more fine dust particles than traditional carpets. Since 2015, this product is the first worldwide to be certified with a GUI Gold Plus Label, the highest possible accreditation awarded by GUI (Gesellschaft für Umwelt- und Innenraumanalytik), Germany's leading independent air quality testing organization. The Gold Plus label was awarded for high performance on three further test criteria: suitability for allergy sufferers, high fine dust binding capacity and low volatile organic compound (VOC) emission properties.

Participating to people's well-being

### 3.8.2 Participating to people's well-being

The last two years were characterized by the global COVID-19 pandemic which stretched the limits the health care sector which was on the front line of the crisis. Tarkett's teams responded with urgency and dedication, demonstrating our putting people first mindset to meet the needs of the local health authorities and other organizations as they scrambled to increase capacity to treat patients.

In 2021 Tarkett took stock with the help of experts to examine the future of hospitals, publishing the findings in a white paper titled "The Hospital of the Future: Challenges and Stakes"<sup>1</sup>. This white paper highlights the importance of hospitals becoming spaces that empower patients. The study conducted in response to the Covid-19 pandemic noted an increasing demand for healthcare due to a growing population of older people, a threat of future pandemics and climate change, and a shortage of medical staff. The study was based on an extensive review of the existing literature on the subject, followed by in-depth qualitative interviews with respected professionals from across the globe with a wide range of healthcare and hospital expertise. An ensuing roundtable discussion brought these experienced minds together and helped to crystallize a vision for the future of hospitals. The white paper, which is a synthesis of all we learned during this process, concluded that supporting patients and medical staff as well as designing for quality life within medical facilities is the best way to drive sustainability and tackle these contemporary challenges.

This new work builds on Tarkett's over 70 years of experience in providing flooring solutions to the sector which contribute to improve hospital hygiene. For decades, Tarkett has been committed to developing innovative flooring solutions with people in mind: patients, medical staff, and cleaners. In 2013, Tarkett took the decision to move away from using antimicrobials on its floors and instead to promote high standards of cleaning and infection control procedures with an appropriate use of disinfectants. This pioneering move was based on the risk inherent with the overuse of antimicrobials, potentially leading to antimicrobial resistance. Tarkett continues, through its Tarkett Human-Conscious Design<sup>®</sup> approach, to support the healthcare community in developing and deploying the best cleaning and disinfection protocols with the minimum impact on human health, the environment and biodiversity, limiting the overuse of biocides and disinfectants.

Furthermore, Tarkett continued in 2021 to develop and offer solutions and guidance to improve people's well-being with its Tarkett Human-Conscious Design<sup>®</sup> approach, including solutions for elderly care, color perception, diversity, lighting and acoustics, and health and safety.

#### Assisting the health care sector respond to the COVID-19 crisis

Tarkett's teams were mobilized in many countries to assist health care organizations respond to the COVID-19 crisis. See our 2020 CSR report for examples.

#### Exemple

##### Easy to clean Cradle to Cradle<sup>®</sup> Gold certified iQ One vinyl flooring contributes to Green Building Council of Australia certified university redevelopment

Tarkett's iQ One vinyl flooring was chosen in 2020 by Melbourne's (Australia) university veterinary hospital and teaching buildings for its major redevelopment. The Cradle to Cradle<sup>®</sup> Gold and Gold Plus GreenRate level A certified flooring, contributed to the building redevelopment achieving 6 Star Green Star-certification by the Green Building Council of Australia. Key characteristics for this vinyl flooring included the absence of phthalates; the easy-to-clean dry-buffing protocols which offers significant savings in terms of energy, labor and the quantities of water and cleaning agents required; the self-healing properties of the homogenous surface that allow scratches to be buffed out – an important criteria for hygiene; flooring colours and patterns that promote wellbeing and calmness; the products durability and its long lifecycle.

#### Designing for elderly care

Through in-depth field research, interviews with the senior care community, and years of expertise in flooring solutions we have developed clear recommendations on what the right choice of flooring in care homes can contribute to residents' well-being. Our aim is to support those who design and manage elderly care facilities, to ensure the well-being of all involved. This means helping residents feel comfortable and at home, preserving their autonomy and independence and limiting factors that can lead to anxiety or confusion. It also means helping carers do their jobs more easily and effectively and helping facility owners and managers keep a handle on their budgets so their facilities can continue to offer the best service possible.

<sup>1</sup> The Hospital of the Future: Challenges and Stakes - [https://media.tarkett-image.com/docs/WP\\_WHITEPAPER\\_HEALTHCARE\\_INT.pdf](https://media.tarkett-image.com/docs/WP_WHITEPAPER_HEALTHCARE_INT.pdf)

Participating to people's well-being

In 2019 Tarkett published a white paper (Designing for Dementia) following a study to explore and better understand the impact of design on the well-being of elderly people and on the importance of understanding the problems posed by ageing, both with and without dementia. Furthermore, Tarkett in the UK adopted the Virtual Reality Empathy Platform (VR-EP), a tool endorsed by the leading experts in dementia design, which provides an evidence-based dementia filter enabling architects, building or interior designers to create homely and familiar environments that could reduce accidents, lessen anxiety and help those living with dementia live more independent lives by better understanding how color, contrast, texture and material play a key role. Already in 2012, Tarkett carried out a scientific study involving doctors and Alzheimer's specialists, to analyze the sensory and psychological impact of flooring on patient quality of life. In addition to hygiene, safety and other regulatory aspects, the patterns and colors of flooring provoked emotions that can stimulate or calm patients with Alzheimer's disease, thereby helping to better manage the effects of the disease. Flooring also influences the biological rhythms and acoustic comfort of patients<sup>1</sup>.

In 2021 Tarkett participated to the renovation of an inclusive housing solution in France for Alzheimer patients. It is estimated that approximately 1.2 million people in France suffer from Alzheimer's disease, the 4th leading cause of death in the country. In response to this, L'Immobilier Solidaire & Associatif (a housing center managed by a solidarity association) and La Maison des Sages initiative came together to provide an innovative and alternative solution – inclusive housing. This is a form of shared housing that offers residents support services and helps them integrate into community life. This solution provides multiple benefits, such as allowing them to live in a friendly environment and feel at home, to live in a small community and feel included in society, to live near their home and remain close to family, to benefit from a 24-hour support team of city health professionals and to have secure spaces that take into account loss of autonomy, while preserving a home-like atmosphere. La Maison des Sages in Les Loges-en-Josas (France) was renovated to adapt to the cognitive and motor difficulties of its residents with the Tarkett Tapiflex Excellence heterogeneous vinyl flooring chosen for its good acoustic qualities, high durability, and easy maintenance.

### Color perception

Tarkett products created for educational organizations (schools, day-care centers, etc.) and nursing or retirement homes are specifically designed with colors and patterns that stimulate mobility and cognitive capacities.

A 2017 study (Colour study: Influence of colour and materials in learning environments), carried out by Tarkett in collaboration with color specialists, designers, and educational specialists, focused on the impact of colors on the development and well-being of children, in educational environments. The results of the study show that children and adolescents develop their learning capacities differently depending on their ages but always with a strong interaction with the world surrounding them, and with the colors of which it is composed. Hence, for example, memory capacities are 55 to 78% greater when the child is in an environment where he or she likes the colors.

### Design for diversity

Tarkett encouraged design for diversity in North America with a number of initiatives in 2021. Tarkett's teams in North America collaborated with HOK, a global design, architecture, engineering, and planning firm, to help clients and designers better understand neurodiverse employees and their unique needs for work environments. Neurodiversity refers to variations in the human brain regarding sociability, learning, attention, mood, and other mental functions—all of which can have a significant impact on how one might interact with their physical surroundings. The collaboration resulted in a new online tool that supports the material selection and placement process. While one in eight people is considered neurodivergent, fewer than 50% are aware of it. Neurodivergent thinkers bring a broad set of valuable skills to any organization, including analytics and critical thinking, creativity, and innovation. In the correct setting, these strengths can be heightened with supportive environments and purposeful design. The new online tool from Tarkett and HOK provides a resource that helps clients and designers understand the spectrum of sensitivity (hyposensitive to hypersensitive) and guides them through important material and layout decisions that support each employee. The goal is to provide a greater variety of spaces, so employees are able to find a workspace that suits them and their workstyle preferences. This initiative is another result of the Tarkett Human-Conscious Design® approach which drives us to continually develop our understanding of people's diverse needs and preferences. It follows our commitment to designing healthy flooring products around the practical, everyday needs of the people who use, install, and maintain them.

<sup>1</sup> [https://professionals.tarkett.com/en\\_EU/node/designing-facilities-for-alzheimer-s-and-dementia-patients-830](https://professionals.tarkett.com/en_EU/node/designing-facilities-for-alzheimer-s-and-dementia-patients-830).



Participating to people's well-being

In addition to the online platform, Tarkett hosted a webinar on "Neurodiversity & Workplace Inclusivity" in February 2021 and developed a CEU (continual education unit) exploring Equity, Diversity and Inclusion within the architecture and design (A&D) industry. The webinar provided insights on the multi-faceted challenges faced by neurodiverse employees, the extraordinary strengths these individuals can bring to the workplace, on how to navigate conflicting needs such as hypo- and hyper-sensory requirements and practical advice on how to design for inclusivity. The continual education unit entitled "Making our circle bigger" promotes dialogue among the A&D industry on the issue of equity, diversity, and inclusion and how to incorporate these principles into the spaces they design, and the teams they lead. Going beyond race and ethnicity, the course discusses a holistic view of diversity to include age, ability, religion, motherhood, and country of origin and also includes an exploration of neurodiversity.

### Example

#### Accompanying architects, designers and specifiers with guidance on considerations for indoor health and well-being, Australia

Tarkett Australia continued in 2021 its thought leadership and education on health, wellbeing and infection control in the workplace segment. With Australia in lockdown for a large portion of the year, Tarkett Australia digitalized their delivery of training and customer presentations. Tarkett Australia shared local workplace research insights to the Architectural & Design community as well as educating on the importance of indoor air quality and noise control. Continuing Professional Development (CPD) presentations were provided to architects in all Australian states on the topics of noise control, wellbeing and slip prevention. Utilizing insights and content from Europe, Tarkett Australia added an Infection control CPD to its training offer. This presentation was adapted according to Australian Healthcare standards to drive awareness of best practice and flooring solutions in a post-Covid environment. This work built on previous initiatives covering topics such as the impact of flooring on acoustics and the importance of color and material in education design across the different age groups (for more details see Tarkett 2020 CSR report).

### Lighting and Acoustics

Tarkett has developed carpet products which help improve the lighting and acoustic environment of buildings: the Desso Light Reflection Master® carpet has the ability to enhance brightness on interior walls and ceilings by up to 14%, leading to reductions of as much as 10% in artificial lighting; while the Desso SoundMaster® carpet can improve impact sound insulation by up to +10 dB<sup>1</sup> compared to standard carpets.

### Health and Safety



In areas with a high risk of hospital-acquired infections - such as operating theatres, medical laboratories, and cleanrooms - floors must meet the highest hygiene standards to ensure infection control and air cleanliness. To this end, our floors provide sealed surfaces and fewer joints, and are resistant to stains and chemicals. They also prevent electrostatic discharges, so that the risk of equipment malfunction or discomfort during surgeries is drastically reduced. Our solutions, including several homogeneous vinyl products from our iQ range and our static control linoleum products, thus offer durable and easy-to-maintain flooring options that meet the health and safety requirements of the healthcare sector.

Tarkett has also developed seamless, anti-slip vinyl flooring solutions specially designed to reinforce health and safety conditions in bathrooms ("Wet room System").

<sup>1</sup> A 10 dB decrease in the sound pressure level will be perceived by human's hearing as a halving of the loudness..

## 3.9 Driving collaboration in the value chain and in communities

> We have established policies, programs, and specific initiatives to manage the identified material risks and opportunities. Our progress in addressing these risks and opportunities is monitored with specific key performance indicators. These elements are summarized in the following table along with our objectives and results.

Opportunities & Risks	Policies / Actions	Key Performance Indicators	2021	2020	2019	CSR Report section	Contributing towards UN SDGs
<b>Flooring market changes</b> (expectations for greater transparency; new products and services and increased stakeholder involvement; suppliers not compliant with our CSR standards; expectations and requirements from civil society and local communities)	> Responsible sourcing program > Suppliers involved in materials selection, materials assessment and C2C approach	Percentage (in spend) of suppliers who have adhered to Tarkett's Responsible sourcing Code of Conduct or equivalent	49%	44%	41%	3.9.1	 11 SUSTAINABLE CITIES AND COMMUNITIES
	> Tarkett Academy > Tarkett Cares > Support to worldwide development projects	Total value of contributions to Tarkett Cares community initiatives (financial, product and employee hours donations)	103 k€	445 k€	710 k€	3.9.2	
							 17 PARTNERSHIPS FOR THE GOALS

Engaging with suppliers to promote social responsibility and a circular economy

### 3.9.1 Engaging with suppliers to promote social responsibility and a circular economy

The commitment of Tarkett to shifting to a circular economy model, founded on the Cradle to Cradle® principles, necessarily depends on the engagement and cooperation of the different stakeholders throughout the entire value chain. To this end, we engage with suppliers with whom we can develop genuine partnerships and we also seek to develop long-term sales relationships with companies that share our ethical values.

#### 3.9.1.1 Deploying our responsible sourcing program

Since 2011 we have committed our main raw material suppliers to respecting the principles of the United Nations Global Compact (UNGC), which cover the themes of human rights, working conditions, the fight against corruption and respect for the environment.

Building on this action, we developed and launched in 2018 a wider responsible sourcing program to further engage with our suppliers and to ensure and promote good and positive practices along the supply chain, focusing on three main pillars:

- > Sourcing healthy and sustainable materials;
- > Ensuring suppliers conduct their business ethically, with respect for human rights and fair treatment of a safe and healthy workforce;
- > Ensuring suppliers manage their operations with environmental responsibility.

With this program Tarkett aims to get its raw material and semi-finished goods suppliers aligned with its own sustainability ambitions and objectives, to ensure sustainability supply chain risks are adequately assessed and to progressively advance its suppliers' sustainability performance through agreed action plans.

In certain specific areas, Tarkett promotes sustainable sourcing through third party programs, such as wood sourcing where we have established partnerships with wood suppliers that are either FSC® (Forest Stewardship Council®) and/or PEFC (Programme for the Endorsement of Forest Certification) certified, which enhances the sustainable management of forests and respect for human rights throughout the value chain. Since the late 1990s in EMEA we have annually maintained our Chain of Custody certification that today covers 2 production sites and a number of sales subsidiaries and for which more than 60% of our wood is FSC® (FSC® C008972) or PEFC (PEFC/05-35-125) certified. In North America, on the maple wood ClutchCourt range, used for production of basketball courts, we offer an FSC® certified product.

In Italy, our linoleum manufacturing plant at Narni obtained the social responsibility SA 8000 certification in 2016 which was renewed for a second time in 2019.

Engaging with suppliers to promote social responsibility and a circular economy

Zoom on key indicators

Responsible sourcing

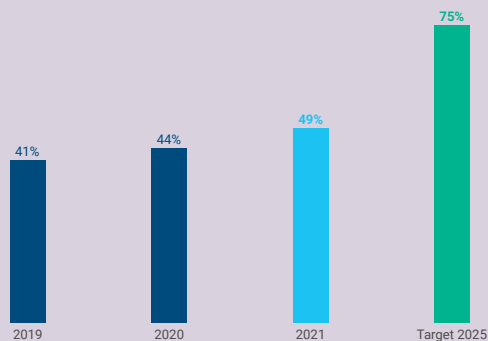
Following the launch of our Responsible Sourcing Supplier Code of Conduct in 2019, 49% of our suppliers<sup>1</sup> (in spend) have adhered to our Code of conduct or equivalent. This is 5 percentage points more than 2020 (44%). In the context of a challenging market for raw materials, with the ongoing impacts of the COVID-19 pandemic, Tarkett is observing a slower than anticipated adherence to its Code of Conduct. Going forward, Tarkett now recognises that given the current market constraints on raw materials it will be very challenging to get all suppliers onboard in the short-term. For this reason Tarkett has revised its objective and now aims to onboard 75% of suppliers (in spend) by the end of 2025. Tarkett's Responsible sourcing Code of Conduct for Suppliers underlines the importance of collaboration to build a circular economy with good quality materials, creating healthier and beautiful spaces. It sets out Tarkett's requirements for suppliers to respect, notably the fundamental international labor standards as defined by the ILO Declaration of Fundamental Principles and Rights at Work; the 10 principles of the United Nations Global Compact and all applicable national and/or local laws.

In addition to onboarding suppliers to Tarkett's Responsible Sourcing Code of Conduct, we also request those suppliers identified as presenting the greatest risk to complete a third-party CSR assessment. To date, at the end of 2021, Tarkett has requested to suppliers representing 47% of spend, to complete the third-party CSR assessment, of which 84% have completed the assessment.

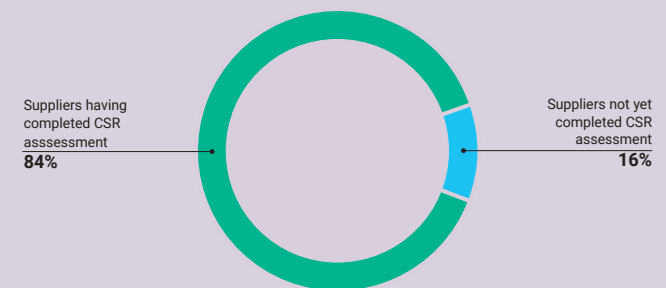
1. All direct purchases (raw materials and finished goods suppliers) and indirect purchases (local suppliers and service providers for production operations) from manufacturing sites (with the exception of purchases for Lexmark), excluding inter-company spends of semi-finished goods and indirect head office purchases

**Tarkett's Responsible Sourcing Program: onboarding suppliers to Tarkett's Supplier Code of Conduct and conducting third-party CSR assessments for suppliers presenting potentially the greatest CSR risks for Tarkett**

Share (in spend) of suppliers who have adhered to Tarkett's Responsible sourcing Code of Conduct or equivalent



Share (in spend) of suppliers (requested, considered at greatest risk), who have completed the third-party CSR assessment



Engaging with suppliers to promote social responsibility and a circular economy

In 2021 we continued the implementation of our **responsible sourcing program**, which includes the following components:

- > **A procurement CSR risk mapping covering the majority of our suppliers** (purchasing spend equivalent to 87% of our total purchase value) was performed in 2018 in partnership with a company specialized in sustainability ratings and supply chain intelligence. This allowed us to identify the main environmental, social and ethical risks along our supply chain, based on procurement categories, countries of operation, flexibility of our supplier panel and on our purchase volume. This risk mapping set the starting point for our responsible sourcing program, which aims to limit the CSR risks in the supply chain and to encourage and accompany suppliers in adopting more responsible practices.
- > **The Responsible Sourcing Code of Conduct for Tarkett Suppliers** provides a clear and common set of requirements relating to the three pillars of the Tarkett Responsible Sourcing Program and aims to promote continuous improvement. It is consistent with the UNGC principles and International Labor Standards as defined by the International Labor Organization (ILO) and includes social responsibility expectations on modern slavery, child labor, freedom of association, discrimination, health and safety, working conditions, business ethics, and environmental compliance. The Code of Conduct has been published on Tarkett's internet site and translated to 11 languages. We are progressively requesting our suppliers to sign our Code of Conduct or to demonstrate adherence to equivalent standards. As part of this process, we focused our first efforts in 2019 and 2020 on onboarding suppliers in product categories with highest risk, based on Tarkett spend. At the end of 2021, 73% of these priority suppliers have adhered to Tarkett's Code of Conduct or equivalent. Tarkett now aims to onboard 75% of all suppliers by the end of 2025.
- > **Further integration of social and environmental requirements in supplier contracts**, through compliance with Tarkett's expectations as defined in the Responsible Sourcing Code of Conduct for Tarkett suppliers and the respect of the ten principles of the United Nations Global Compact.
- > **Supplier evaluation and control** through detailed supplier CSR assessment. Based on the findings of procurement CSR risk mapping, we initiated in 2019 a more detailed third-party CSR assessment of suppliers considered to present the most risk in terms of social responsibility. In 2021 Tarkett requested some additional new suppliers to complete the assessment, bringing the total number of ongoing supplier assessments to 273. The aim of the supplier social responsibility assessment, managed by EcoVadis, is to measure the level of management (policy, action and results) in four areas: environment, labor and

human rights, ethics and sustainable procurement. Suppliers are scored out of 100, based on their responses to a questionnaire and based on the supporting documentation they provide. Their score reflects the company's sustainability maturity level and the corresponding risk to Tarkett. Suppliers who have already completed the questionnaire for other clients are able to share their evaluation directly with Tarkett, avoiding them having to complete a separate process. Depending on the supplier assessment result, the supplier will be considered as either meeting Tarkett's sustainability performance requirements, requiring improvement or non-compliant. Tarkett appreciates that compliance with its Code of Conduct may require a process of gap analysis, corrective action planning, training for management and workers, capacity building and other measures. For this reason non-compliant suppliers will be given one year to demonstrate they have made sufficient progress before Tarkett decides to discontinue sourcing. These suppliers, along with suppliers requiring improvement will be re-assessed to measure progress. Suppliers considered compliant will be re-assessed every 3 years. At the end of 2021 84% of suppliers (in terms of purchasing spend, out of those requested) had completed the CSR assessment. Tarkett was pleased to observe the first positive impacts of its responsible sourcing program in 2021 as it noted the improvement of certain suppliers following their CSR re-assessment.

- > **Supplier capacity building on environmental or social issues** is provided through the supplier CSR assessment platform as this allows suppliers to identify the key social and environmental issues for their activity, to measure their degree of maturity in terms of their policies, actions, and performance, notably in comparison with their peers, as well providing them with a practical gap analysis to facilitate the development of action plans to improve.
- > **Alert mechanisms** are in place via our Compliance Hotline and our Ethics Hotline (see section 3.2.4.1 Ensuring business ethics and integrity).

#### Ensuring a successful deployment of Tarkett's responsible sourcing program

To accompany and promote the swift deployment of this program Tarkett detailed a responsible sourcing procedure, provided various communication tools and implemented dedicated training towards its buyers and purchasing managers. For example, in 2021 specific training was provided to its purchasing team in the wood category. These tools help set the context, explain the aims and objectives for Tarkett and outline the procedures to follow. The individual actions and progress related to the deployment of the program are reviewed with purchasers as part of their annual performance and development dialogue (PDD), with group category managers having incentives linked to their personal bonuses.

Engaging with suppliers to promote social responsibility and a circular economy

### Example

#### Assessing supplier CSR risks

An initial CSR supplier risk assessment was performed in 2018. The assessment considers the supplier activity (based on UN International Standard Industrial Classification - ISIC), the country where the product is manufactured (or service provided) and Tarkett's spend and inter-dependency with the supplier. An overall sourcing risk is defined for each supplier with the following weighting:

- > 70 % global CSR risk with: 50% based on the activity category and 50% based on the country risk
- > 30% procurement risk (linked to Tarkett's spend with the supplier and its inter-dependency)

The resulting risk is then rated across 6 levels from very low (level 1) to severe (level 6).

Tarkett has currently retained EcoVadis, a company specialized in sustainability ratings and supply chain intelligence, to perform the procurement CSR risk mapping. Their methodology covers 21 criteria across four themes: environment, fair labor & human rights, ethics (including corruption), and sustainable procurement. It is built on international CSR standards including the Global Reporting Initiative, the UNGC, and the ISO 26000, and uses a comprehensive database covering over 50,000 companies, 190 spend categories and 150 countries.

#### 3.9.1.2 Collaborating with suppliers to achieve our eco-design objectives

To achieve the first pillar of our responsible sourcing program, sourcing healthy and sustainable materials, we actively engage and collaborate with our raw material suppliers in the development and assessment of new materials, in line with the Cradle to Cradle® (C2C) principles or when we need data for the lifecycle analysis of our products (see for more details section 3.6.1.2 Assessing materials for their impact on health and the environment).

As described in section 3.6.1.1 Selecting and sourcing sustainable materials to preserve natural resources, Tarkett is developing its sourcing of secondary raw materials, renewable based materials, and other resource abundant materials. For example, in 2021 Tarkett developed a new partnership with Ragn-Sells, a Swedish enterprise involved in waste management, environmental services and recycling, aimed at developing carbon negative mineral fillers for vinyl flooring (see for more details section 3.6.2.1 Working collectively towards a circular economy).

Collaboration continued in 2021 with two suppliers following Tarkett's Innovation Challenge which was organized in 2020. The **Tarkett Innovation Challenge** was designed to accelerate collaboration with key suppliers on co-innovation, notably on the circular economy and health & well-being (See 2020 CSR report for more details).

From flooring product design to installation and maintenance, Tarkett does not limit its research to its products. Using a holistic approach, we also are interested in the entire system, in other words the impact of our products on health and the environment during the installation, use and maintenance phase. Within the scope of our C2C commitment, we strive to develop partnerships with other industrial firms engaged in the same approach so as to be able to recommend complete C2C product solutions, installation and maintenance.

In North America, for example, Tarkett has worked closely with supply chain actors to ensure that the adhesives we provide are assessed and have a C2C material health certificate.

Engaging in local communities

## 3.9.2 Engaging in local communities

### 3.9.2.1 Contributing to the local economy

The nature of Tarkett activities, its development through acquisition of local companies and the Group's decentralized structure contribute to the development of local economic activity. Tarkett sells its products in over 100 countries and has a worldwide presence through its 34 industrial sites, its commercial networks, and local branches, as well as its research and design centers. Products are manufactured in 19 countries (Sweden, France, Italy, Belgium, the Netherlands, Luxemburg, United Kingdom, Germany, Poland, Russia, Serbia, Ukraine, Turkey, US, Canada, Mexico, Brazil, China, and Australia), located in the heart of commercialization areas to serve our highly fragmented and diverse customer base.

### 3.9.2.2 Sharing expertise through the Tarkett Academy

The *Tarkett Academy* trains professionals and future flooring installers in techniques for installing and laying floor coverings. The training programs are delivered at eleven Tarkett Academy centers in eight countries: Australia, Brazil, China, France, Poland, Sweden, Russia and Serbia. The training is designed for both young professionals and experienced installers. Sessions last a few hours to a week and focus on among other topics, flooring installation and maintenance.

In North America, Tarkett experts directly train architects and designers, via their trade organizations, allowing them to earn a certain number of continuous education credits. In France, Tarkett Academy, created as early as 1993 in the Sedan factory, trains professionals or future professionals in vinyl, linoleum, wood, and carpet flooring installation techniques. The training is validated by a degree (CAP flooring-carpet installer) recognized by the Ministry of National Education or a professional degree (flooring-carpet installer) recognized by the Ministry of Employment or an attestation of competence.

In the continued context of the COVID-19 pandemic, Tarkett Academy maintained its flexible approach, adapting to the local context and client needs. In Poland the Tarkett Academy adapted the organization to limit the direct contact for example by holding one-day instead of two-day sessions, notably to limit the "social" gatherings (e.g. evening

Tarkett develops relationships with local stakeholders including installers, sub-contractors, and distributors, while respecting local cultures: in its way, Tarkett is Russian in Russia, American in the United States and Chinese in China. While benefiting from a global presence, the Group has always striven to anchor its activities locally, favoring the quality and long-term nature of its customer relationships, in order to offer a local service. We adapt our products as well as their technical characteristics, in particular their designs (colors, patterns, formats, materials) to the tastes and local habits of our customers and to local regulations. In addition to our production sites, we have a solid distribution network to guarantee fast, efficient delivery and sufficient volumes to our local customers. From local manufacturing sites in China and in Brazil, to customer service and distribution centers in Russia, as well as a strong presence in North America and Europe, the Tarkett network is the right choice for many flooring installation projects in the world, both for local customers and for key international accounts.

meals), and by having smaller groups. Another solution that was developed was to hold short live video demonstrations to explain practical technical installation aspects. In several countries, such as Poland and China, the local Tarkett Academies met increased demand for guidance on infection prevention and control (IPC), providing technical training on flooring cleaning, hygiene protocols and maintenance. In Russia, one of the Tarkett Academy students won a gold medal for floor laying at the vocational education and skills competition - Euroskills 2021 - in Graz (Austria). The 4 Tarkett Academies focus training on product information, preparation of the subfloor, laying of different floor coverings, cleaning, and care. In 2021 they deployed a new learning management system functioning on mobile phones and PCs to facilitate remote training. Lastly, in Sweden the local Tarkett Academy developed a new training on electrostatic discharge (ESD).

#### Zoom on key indicators



From 2012 to 2021, Tarkett trained over 44,000 professionals and students in the flooring profession and in installation techniques at Tarkett Academy centers all over the world, including 8,148 people in 2021.

Engaging in local communities

### 3.9.2.3 Giving time, assistance, and other contributions to local communities: Tarkett Cares

Tarkett Cares is Tarkett's volunteering and community support program, which embodies Tarkett's approach to putting people first. Launched in 2016, the Tarkett Cares program promotes the participation of Tarkett employees and Tarkett entities in local community initiatives which help the community for better living and contributes to local community's needs. Tarkett Cares is a flexible program that provides support in different ways, corresponding to our corporate values and our sustainability commitments:

- > **Volunteer work:** Tarkett encourages each employee to spend up to two days a year of his or her work time on a charitable initiative and to share his time and expertise on a volunteer basis. This can be done individually or as part of a team.
- > **Donations:** Tarkett entities can also support local initiatives through making financial, material or product donations and involving employees in these projects.

**Over the last five years Tarkett has contributed to more than 700 community initiatives with Tarkett employees volunteering over 3,300 days of community service while Tarkett has donated over 1 million euros worth of flooring and sports surfaces to local community projects.** Each year there are many, diverse local initiatives: helping to build or enhance living areas, improving the quality of life and health of local populations, sharing expertise, and developing talents, encouraging entrepreneurship, or protecting the environment. For Tarkett teams, these voluntary initiatives offer invaluable opportunities to share common values, in particular generosity, solidarity, and team spirit.

#### Zoom on key indicators



#### Tarkett Cares in 2021 :

- > 2 days of volunteer activity for charity initiatives possible for all employees.
- > More than 80 initiatives worldwide, which is fewer than in previous years due to the COVID-19 pandemic and the associated social distancing measures.

- > More than 1 100 employees, corresponding to 10% of Tarkett staff, participated in 2021
- > 91 workdays, the equivalent of 637 hours of work
- > 5,669 m<sup>2</sup> of flooring donated
- > A total value of more than €100k (values of financial and product donations and employee hours donated)



## Engaging in local communities

**In 2021, Tarkett Cares supported many communities, notably responding to help during the ongoing COVID-19 crisis as well as contributing through other initiatives, a few examples of which are provided below:**

- > In Tarkett UK's Ashford office, teams organized a coffee morning with baking competition, raising in the process money for Cancer Macmillan Support.
- > In Serbia, various donations were made, including the donation of office equipment to Centre of National Culture and Art, the donation of floorings to Novak Djokovic Foundation and a donation to the local Red Cross.
- > In Russia, 13 employees were involved in a local tree planting initiative and employees organized a collection of bottle caps for recycling to help orphans and children with health problems, including a cash donation to purchase a special wheelchair. A donation was also made to a local cultural and sports organization "Break dance society of Moscow region" to support them in arranging a dance festival.
- > In Poland Tarkett teams supported different projects, including the renovation of a Children's health center and the construction of a Ronald McDonald House. The Ronald McDonald House is a place where parents of young patients of the University Children's Hospital in Krakow can be closer to their children. Tarkett Poland also contributed to the Habitat for Humanity Poland Foundation's Empty Spaces project. The project, by renovating vacant buildings, aims to support people who have nowhere to live or live in inadequate conditions - people in a homeless crisis, refugees or single mothers.
- > Tarkett North America funded the Global Wellness Institute to provide 15 schools with the program "Children's Wellness". This program aims to create awareness and tools on education about long-term health and wellness.
- > In North America, Tarkett continued its partnership with Fill it Forward, an organization dedicated to eliminating single use waste and encouraging reusable habits by funding clean water projects. Projects are funded through reusable trackers. Individuals place a tracker on a reusable item (water bottle, travel mug, etc) and record the refills with a dedicated mobile phone app. Each refill contributes to the completion of a charitable clean water project. Tarkett once again provided Fill it Forward trackers to its North American sales team and customers as a way to demonstrate our commitment to sustainability and support of Fill it Forward. Through the initiative Tarkett supported Fill it Forward partners, DIGDEEP and Water First. DIGDEEP is an organization focused on ensuring every American has clean, running water forever. Their Navajo Water Project provides hot and cold running water to homes without access to water or sewer lines across New Mexico, Arizona, and Utah. With our contribution, the Navajo Water Project can provide running water to three houses across their project locations. Water First is an organization that works in primarily indigenous communities in Canada to address water challenges through education, training, and meaningful collaboration. They focus on drinking water and environmental water concerns, as well as water science education for youth - and have collaborated with more than 35 First Nations indigenous communities. Tarkett has committed to supporting their First Nations Training and Water Restoration project, an internship for water quality testing. In total in 2021 Tarkett helped to divert some 5,635 single-use bottles, avoiding at the same time 1 ton CO2 emissions associated to single-use bottles.
- > In the US, Tarkett North America raised awareness amongst employees on Earth Day - 22 April 2021, donating a tree planting for each employee and thus contributing to Earth Day theme of the "Restore our Earth". Tarkett partnered with the One Tree Planted organization to support their efforts to combat global deforestation. One Tree Planted is a non-profit environmental charity which partners with carefully selected reforestation organizations in 4 regions: North America, Latin America, Africa, and Asia. One Tree Planted pools the donations for each project and sends the funds to their reforestation partner, enabling them to cover the costs required to get these trees in the ground. Tarkett also planted trees for each person joining its webinars organized during the National Indoor Air Quality month, and again committed to plant trees for participants to its IGNITE 2021 and the NEOCON 2021 trade show events.
- > Tarkett teams across the US in Boston, Charlotte, Orlando, Seattle and San Francisco made donations to local food banks to a value of 1000 USD.

Engaging in local communities

### 3.9.2.4 Supporting sustainable development projects

The Group also supports certain sustainable development projects.

#### Example

##### Carbon offsetting with a sustainable agro-forestry project in the Peruvian Amazon

Tarkett is supporting a sustainable agro-forestry project in the Peruvian Amazon as part of the REDD+ Business Initiative. By helping local farmers transition to sustainable cacao production in the margins of the protected area, degraded land is being restored to relieve deforestation pressures and provide local communities with forest-friendly and sustainable livelihoods. The Tambopata-Bahuaja Biodiversity Reserve project aims to protect local biodiversity (including over 30 high conservation value species such as giant armadillo, blue-headed macaw, jaguars and giant river otters), by conserving 591,851 ha of threatened forests – an area which represents the size of Los Angeles – and restore 4,000 ha of damaged land, while supporting local communities and livelihoods with 632 cacao production jobs supported and returning €4.8m to the local economy, notably by developing a cacao cooperative and cacao processing facility. Tarkett and more than 30 other companies are supporting this project which has contributed to avoiding 3.9 million tons of carbon emissions to date. This is equivalent to 453,000 homes' energy use for a year. Tarkett uses its quota of avoided carbon emissions, in the framework of its product carbon offsetting approach, where we periodically offset greenhouse gas emissions for certain products to obtain a given level of certification under the Cradle to Cradle Certified® product standard. For example, Tarkett's Desso Ecobase® PA6 solution dyed carpet tiles have achieved C2C gold level which required 50% of the final manufacturing stage GHG emissions to be offset.


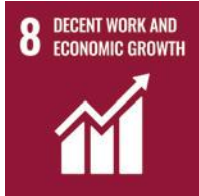

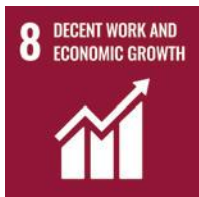
The project is part of the Althelia Climate Fund and implemented in partnership with AIDER, a local Peruvian NGO. It is validated by the Verified Carbon Standard (VCS project ID 1067) and the Climate, Community, and Biodiversity Standard (CCB) to the gold level for both biodiversity and for climate change adaptation.

The Tambopata-Bahuaja project advances many of the UN Sustainable Development Goals:



## 3.10 Nurturing our human capital

We have established policies, programs, and specific initiatives to manage the identified material risks and opportunities. Our progress in addressing these risks and opportunities is monitored with specific key performance indicators. These elements are summarized in the following table along with our objectives and results.

Opportunities / Risks	Policies / Actions	Key Performance Indicators	2021	2020	2019	Objective 2025	CSR Report section	Contributing towards UN SDGs
<b>Worker health, safety and security</b> (safety at production sites, exposure of staff to hazardous substances; health of our employees)	> World Class Manufacturing (WCM) program	Percentage of production sites certified to ISO 45001	68%	69%	67%	-	3.10.1	
	> SO 45001 certified Health and Safety Management System	Recordable Lost Time Accident Frequency Rate (FR1t) <sup>1</sup> for all employees	2.56	2.62	2.19	1,0	3.10.2	
<b>Talent retention and recruitment of key employees</b> (loss of talent / competence; discrimination; lack of equal opportunities)	> Non-discrimination policies	Percentage of women in management	26%	26%	27%	30%	3.10.3	
	> Promotion of gender equality							
	> Employment of people in difficulty (e.g. with disabilities, long-term unemployment, immigrants)							
	> Whistleblowing procedures							
	> Recognized employer brand	Percentage of employees trained at least 1 day during the year	44%	34%	58%	-		
	> Global Talent Management Guiding Principles	Percentage of permanent employees who had a Performance & Development Review (or equivalent) during the year	56%	50%	55%	-	3.10.4	
	> Performance and Development Review						3.10.5	
> Learning and development programs, e.g. Manager@Tarkett	Percentage of open management positions filled by an internal candidate	63%	56%	65%	70%			
> Internal mobility	Absentee rate (employees)	4.4%	3.9%	2.6%	-			
> Global employee feedback survey	Permanent employee turnover rate	19%	13%	17%	-			

<sup>1</sup> Number of accidents with lost time < > 24 hours per million worked hours

## Developing a safety culture

**One Tarkett, Agile and Performance-driven**

One Tarkett for Customers is one of the four pillars of Tarkett's Change to Win strategy announced in 2019. Tarkett's Human Resources teams are playing a key role in assisting the organization in developing the capacity to become One Tarkett, more agile and performance driven.

In 2019 Tarkett decided to invest in the acquisition and the deployment of a Global Human Resources Information System (HRIS) platform to simplify and align HR processes. Workday's Human Capital Management and Talent Management solutions were retained to digitize and modernize Tarkett's HR management and development processes. Tarkett also wishes to simplify and give more autonomy to managers and employees, thereby increasing speed, improving efficiency, and enhancing employee and manager experiences. This common HR & IT project is an initiative aligned with the "One Tarkett" and "People & Planet" strategic pillars of Tarkett's Change to Win strategy. Workday became operational at the end of 2020 following 12 months of preparation, implementation, and training. In 2021 Tarkett continued its digital transformation focusing on improving the working environment by rolling out new collaborative digital tools. The "Modern Workplace" project provides the latest digital tools to facilitate and promote collaboration, efficiency, agility, and productivity. The project focused not only on providing modern digital tools, but also

### 3.10.1 Developing a safety culture

Beyond regulatory compliance, the Tarkett Group considers safety as its number one commitment, constantly working to ensure that all employees, contractors, and visitors are committed to safe work practices and procedure, every day and everywhere. These principles are displayed throughout the business and form the basis of Tarkett's commitment to safety culture.

Tarkett presented its Change to Win strategy in 2019 with 4 strategic pillars, one on people and the planet with a focus on safety. A Global Safety Director was nominated in 2020 to accelerate the implementation of our Change to Win safety ambition and to establish Tarkett as a reference regarding health and safety. In 2021, this new function continued to develop new globally applicable rules to strengthen Tarkett safety standards and reinforce their daily application and ensure the sharing of good practices across the group. Tarkett's WCM program also continues to play an active role in providing support, training, and coaching as well as continuing to include safety in the regular WCM audits.

on evolving the mind-set and changing the way we work to promote innovative and collaborative practices in line with our OneTarkett spirit.

Our People strategy is based on four strategic priorities: Foster team commitment and performance; Proactively develop our Talents; Gain flexibility and simplicity to gain agility; Promote the culture of Sustainability and Customer centricity. Our objectives are to increase our ability to accelerate our development and to strengthen our customer centric capability by being "One Tarkett, Agile and Performance-driven", with four priority actions:

- > Apply our global Talent Management Guiding principles;
- > Promote and develop Tarkett's seven entrepreneurial leadership traits: Think business, Accountable, Risk for results, Kind to customers, Empowers collaboration, Talent developer and Thorough;
- > Have the best talents in critical positions; and
- > Implement a compelling employee value proposition, based on three promises: "Expand your horizons, Change the game, Design the future of society. Together."

Our People strategy is translated into concrete Global HR objectives and a Group roadmap with a detailed action plan, while a dashboard of Tarkett HR indicators has been developed to monitor progress and measure performance.

**Tarkett's safety procedures and standards notably include:**

- > Health and safety risk assessments at each plant, anticipating risks related to changes in operations,
- > Provision and use of personal protective equipment (PPE) as appropriate,
- > Procedures for handling chemicals and hazardous substances,
- > Measures to limit noise and other factors of stress,
- > Systematic reporting and root cause analysis of incidents,
- > Regular inspections to ensure safety of equipment and application of safety procedures.

## Developing a safety culture

Safety procedures are translated into local languages, with shop-floor safety signs, warnings and symbols used to further enhance comprehension and awareness by all. Training on health and safety risks, Tarkett rules and good practices are regularly provided to both Tarkett employees and to subcontractors working at Tarkett sites with visitors also briefed on key safety rules and behaviors.

Employees receive as per local legal requirements regular health-checks and where required a joint labor management health and safety committee is in place.

**Progress in terms of safety has been made over the last ten years, reducing the number of accidents (49 recordable lost time accidents in 2021 vs 148 in 2010).**

This progress is encouraging but Tarkett is committed to doing more to attain a stronger safety culture.

Tarkett's Executive Management Committee remains firmly committed to safety, supporting and closely monitoring actions to strengthen safety measures and mobilize all employees around safety. Key actions ongoing include:

- > **Safety Pledge:** The top 100 leaders of the Group signed a Safety Pledge in December 2018: "Safety is our #1 commitment. Every day. Everywhere". From December 2018 all Tarkett employees are signing a Safety pledge every year during the global Safety day.
- > **Global Safety Day:** An annual Global Safety Day is organized at all Tarkett plants, warehouses and offices worldwide each year following the first such day in December 2018. In 2021 the Global Safety Day took place in the first week of November with a video message, translated into 18 languages, from the Executive Vice President for Operations and R&D and the Group Safety Director where they reiterated the importance of safety as our number one commitment at Tarkett. The objective of the Global Safety Day is to strengthen safety culture, awareness of risks, abidance to safety procedures and rules and to empower employees to identify and report risk areas for themselves and for their colleagues. The focus of the 2021 edition in plants was the completion of the implementation of actions on pedestrian safety and the launch of a new standard on safe maintenance intervention. In offices the focus was on the 5S system and on tripping hazards. The 5S system (where the 5S stand for Sort, Set in order, Shine, Standardize & Sustain) is a system for organizing spaces so work can be performed efficiently, effectively, and safely putting everything where it belongs and keeping the workplace clean, which makes it easier for people to do their jobs without wasting time or risking injury.

- > **Safety action plan:** A strict action plan in each plant, notably concerning the assessment of risks specific to Tarkett production lines. This plan is monitored at Executive Management Committee level. In 2021 the focus of the action plan was the implementation of the pedestrian safety standard that was shared at the end of 2020. In parallel emphasis was made on the importance of applying the "lessons learned" preventative approach following all accidents, with Tarkett entities required to analyze the presence of the same risk in their plants and to plan adequate countermeasures. Another area of the action plan concerns the development of a safety culture, where Tarkett started work on deploying locally the "Golden Triangle" principle: defining good standards, making them easy to follow and auditing them regularly to improve them.
- > **Safety procedures and rules:** In 2020 Tarkett created a new global safety function to set rules, strategy, and objectives on safety. The WCM organization continues to support the implementation and application of the safety procedures and standards. In 2021 the global safety team continued overseeing the deployment of the second Group safety standard concerning the interaction between pedestrians and vehicles, while preparing a new Group safety standard on safe maintenance intervention. The first new Group safety standard launched in 2020 on "loading bays" is now fully deployed. This standard set out the minimum requirements that shall be implemented at all plants to limit risks of accidents at loading bays. Previously in 2019 a focus was made on deploying the "lock-out tag-out" (LOTO) procedure designed to ensure safe maintenance of equipment, as well as the action plan on nip points. In 2018 particular attention was given to personal protective equipment, clothing rules, hazardous installations and machine guarding.
- > **Safety training:** Continuous organizational learning at all levels, with a focus in 2021 on the quality of the root cause analysis and countermeasures after any safety event; on fire and ergonomic risk assessments; and on the workplace 5S system. Previously in 2020 over 60 senior managers followed 4 training sessions focusing on how to demonstrate leadership on safety after a dedicated training session organized in 2019 for Tarkett's Executive Management Committee held at its Dendermonde site in Belgium which applied the frequently used Gemba Walk approach. Gemba Walk, coming from the Japanese term meaning actual place, in other words referring to 'where it actually happens', with the purpose being to observe the actual work situation, engage with employees, gain knowledge about the work process and the opportunities for improvement.

## Developing a safety culture

- > **Safety incentives:** All managers in operations concerned by the annual performance and development dialogue (PDD) have safety criteria included in their bonus. This concerns managers, department managers and in some cases line managers.
- > **Safety audits:** Safety is part of the annual WCM plant audit and plants are also audited regularly as part of their ISO 45001 certification. Tarkett's global insurers also conduct periodic audits which include safety aspects as a part of their focus on fire risks.
- > **Safety reporting and good practice sharing:** Each month a safety call is held, with latest global safety figures shared, previous month incidents discussed and actions and good practices to work on. The call is aimed at safety managers, and to plant managers, but also open to warehouse managers and any people interested from the plant. In 2021 a focus was made to improve reporting of near misses to be able to increase the countermeasures in a preventive way before any accident happens.

The challenge to reinforce the safety culture and to train and empower each employee to have safe behavior at any time, in every situation is not limited to the plants, but applicable for all Group employees (sales force, offices, headquarters). In addition to the above initiatives, Tarkett continues with the measures already implemented at different levels of the organization, including:

- > **Top management are notified immediately following each accident**, as plant managers inform directly Tarkett's CEO, Executive Vice President for Human Resources & Communications, Executive Vice President of Operations and R&D, Group Safety Director and the corresponding Division President.
- > **Safety results (including fire risks) are monitored and analyzed during the Group's Executive Management Committee meetings**, as well as Tarkett's **Supervisory Board**.
- > They are also **presented and discussed with senior executives** as an introduction to each Quarterly Information Session, as well as at the annual senior management seminar (Top 100).

- > **The safety topic is evaluated by all employees** during the biennial internal employee feedback survey and included in managers 360° feedback. In 2021, 83% of employees indicated that health and safety is a priority in their department, higher than the benchmark and greater than in the previous survey.
- > **The development of safety skills** at production sites is a major focus of the WCM support on safety, through complementary measures: regular training, frequent audits of our sites' practices (via our Safety Management Audit Training – SMAT process), open and continuous dialogue between managers and employees on risks and safety behaviors at workstations, testing and implementation of best practices shared after annual site audits.
- > **An active global network of safety experts** facilitates knowledge sharing among sites and encourages dialogue on risk identification and reduction, audit conclusions and outcomes of measures tested and implemented in the field. This network also relays safety news and information to all plants. In addition to monthly conference calls, the extended safety network meets annually at the occasion of a global safety forum.
- > After each incident or accident, a **rigorous assessment of causes** ("root cause analysis") is carried out. Action plans are then developed and deployed, within the scope of our WCM continual improvement approach. Safety alerts summarizing the incident's causes, its outcomes and the corrective actions implemented to prevent re-occurrence are systematically prepared and shared with all sites. In 2021 an effort was made on improving the quality of the analysis and the countermeasures after any accident within the group, with a specific focus on installation crews for sport projects.

**By the end of 2021, 68% of the Group's manufacturing sites had obtained certification for the ISO 45001 health and safety standards.** The ISO 45001 certification definitively replaced OHSAS 18001 from March 2021 and in 2021 all remaining plants who had their new ISO 45001 certification successfully achieved the switch. These international standards are benchmarks in managing workplace health and safety.

## Developing a safety culture

## Example

## Sharing best practices on safety through WCM Forums and safety calls

WCM Forums provide unique opportunities for Tarkett professionals to share good practices and discuss practical solutions, while observing one plant's concrete action on key WCM topics such as safety. Tarkett did not organize a Forum in 2021 given the ongoing COVID-19 pandemic and the associated sanitary measures. In 2020 Tarkett held its annual Forum in February before the widespread outbreak of the pandemic (see 2020 CSR report for more details).

On a more regular basis, the Group Safety Director holds a monthly call with plant safety managers. In 2020 Tarkett's EMEA & LATAM division sales network and offices safety network instigated similar monthly calls with its 15 correspondents. Latest safety incident figures are communicated along with feedback on latest incidents and the associated follow-up actions to be taken. The network is reminded about safety reporting and root cause analysis which are to be made and communicated following any incident. Local safety activities and good practices are shared with a brief presentation made each month by two different correspondents. In the context of the COVID-19 pandemic, good practices are also shared on sanitary measures taken locally.

## Zoom on key indicators

## Safety

The Recordable Lost Time Accident Frequency Rate (FR1t) for all Tarkett employees is stable at 2.56 (compared to 2.62 in 2020 and 2.19 in 2019). Tarkett's goal, fixed in 2019 as part of its Change to Win strategy, is to reduce this frequency rate to 1.0 by 2025.

This indicator (FR1t) measures the number of accidents with or without time lost, per million hours worked.

The number of accidents implicating one or more days lost time decreased for the second year running, with fewer such accidents in all divisions except Sport. Tarkett also noted fewer accidents in offices as home-office working remained prevalent through 2021.

We also monitor accidents concerning our teams outside of factories (in warehouses, administrative buildings and for the sales network). Safety rules for sales networks and offices, drawn up in 2019, are regularly communicated. These set out mandatory and recommended behaviors for employees in sales networks and offices, covering visits to industrial sites, handling samples, driving, working in warehouses and offices. Since the end of 2020 Tarkett's new highly automated carpet warehouse in the Netherlands improves worker safety as the use of automated guided vehicles (AGVs) and clear segregation between automated and manual areas ensures all interaction between AGVs and the warehouse operators is avoided. More generally in 2021 all warehouses were integrated into the group's safety communication network, ensuring they receive the same information and alerts as the plants. And accident root cause analysis was deployed in offices and for sports installation crews.

Caring for the health and well-being of our workforce

### 3.10.2 Caring for the health and well-being of our workforce

Tarkett knows the successful execution of its Change to Win strategic plan depends on its teams, their talent, and their commitment. Tarkett values its employees and respects their needs for good, safe working conditions and fair compensation. Tarkett is committed to upholding local regulations on working conditions and meeting market practices on pay and benefits. Most critically, Tarkett puts employees' health and safety first and has continued in 2021 to demonstrate this through the company's response to the pandemic and Tarkett's continued focus on safety, every day, everywhere.

#### Putting people first: responding to the unprecedented COVID-19 pandemic

As the coronavirus began to spread in 2020, Tarkett's CEO quickly reiterated Tarkett's care, and commitment for its employees' health and well-being. In 2021, as the successive waves of the pandemic continued, Tarkett's local management and human resource teams continued to relay and regularly update information from official sources on the pandemic, the key sanitary measures, information on the vaccination, along with online company guidelines, and various other resources to help support our employees manage the stress and adapt to the new working conditions:

- > In those locations where Tarkett needed the presence of team members, such as in plants and distribution centers Tarkett ensured continuous rigorous cleaning, enforcement of social distancing and requiring masks as part of our PPE (protective personal equipment). Where positive tests were reported, Tarkett ensured contact tracing of the infected individual and notified anyone who may have come into close contact so they could be tested and if necessary, shut down production lines to complete thorough cleaning.
- > In other locations Tarkett gradually re-opened its offices following the local situation and local official guidance, facilitating as much as possible continued remote working.
- > Tarkett **North America**, for example, provided regular communication and guidance on the evolving COVID-19 situation, encouraging vaccination with information on vaccine availability. A structured return to office protocol was established, with a gradual return to office locations for most employees who had worked remotely through the pandemic. Offices were reopened on a voluntary basis with continued policies regarding wearing masks, social distancing, maximum room capacity in meeting spaces, etc.

- > In **Europe**, local HR teams organized workshops with managers on remote management, well-being during COVID-19, and on reengaging with teams after the COVID-19 work from home period.
- > In **France**, Tarkett communicated, as soon as the vaccination became available, information to teams on how to get vaccinated. Webinars were organised and information was relayed from the occupational health services who participated in the governmental screening and vaccination programs.

Overall 73% of employees felt that management provided adequate support during the pandemic (see section 3.10.5.1. Listening to employee feedback).

#### Assisting employees in their time of need

In July 2021, Tarkett provided support to employees whose homes were damaged by severe flooding in Germany, Belgium, and Luxembourg. The catastrophic floods came following exceptional rainfall in the region, leading multiple rivers to burst their banks. Although Tarkett premises were not impacted, several employees faced damage to their homes. Local Tarkett teams reached out to employees affected by the storms and the flooding, providing immediate support to restore acceptable living conditions in their houses and to make the most urgent repairs.

#### Deploying Tarkett's Safety Net

Following a worldwide review of employee benefits in 2018, Tarkett decided to implement a global program to ensure minimum benefits globally on hospital costs and life insurance. The review confirmed that there were no breaches of local regulations, however identified an opportunity in certain countries to improve minimum benefits for employees related to hospital costs and compensation in case of death. This program, known as "**Tarkett's Safety Net**", began in 2019 and has been progressively implemented. The requested minimum level of one year of base salary in case of death was effective for 53% of total employees at the end of 2018. At the end of 2021, more than 90% of employees worldwide are now covered by this minimum, including countries with an important number of employees such as Serbia or Russia. The deployment for hospitalization coverage is also progressing well. Tarkett has presented and discussed the program with worker representatives, where relevant, in each country.



Caring for the health and well-being of our workforce

For example, our **Mytisch plant (Russia)** is mapping, benchmarking and progressively completing its employee assistance program. It includes medical and accident insurance, periodical medical check-ups, annual vaccinations along with coaching and initiatives on health and well-being, such as ergonomic audits for new workplaces, a weekly health day raising awareness on specific topics, shift-worker health management, subsidized fitness center, stress management and work-life balance training.

In **Germany at our Konz plant** actions included a health day focused on back health and first aid courses. In **France our Sedan plant** participated to the national stop smoking campaign in November organizing consultations with a nurse specialized in tobacco addictions and in December a campaign with the local national health insurance administration (CPAM) to raise awareness on alcohol and health as part of the European cross-border project SATRAQ between France and Belgium.

#### Working time

Tarkett complies with laws and local regulations concerning working hours, compensation for extra hours or atypical working hours and for leave. Tarkett develops frameworks in each country to adapt to local requirements and market practices for working hours and leave and where relevant negotiates them with worker representatives.

In the **US**, where paid holidays are not imposed by federal or state authorities Tarkett provides 10 days of paid holiday for national holiday dates as well as a flexible system of paid time off. The paid time-off (PTO) combines vacation, sick time, and personal time into a single bank of days for use when employees take paid time off from work. This gives employees the opportunity to enjoy time away from work to help balance their lives. It recognizes that employees have diverse needs for time off from work and provides for a flexible approach to time off. Employees are accountable and responsible for managing their own PTO hours, allowing for adequate reserves if there is a need to cover illness, appointments, emergencies, or other situations that require time off from work.

In **the Netherlands**, having observed a higher than average absenteeism rate at its plant, Tarkett undertook actions to address the issue. HR teams worked with the plant medical service to conduct an in-depth analysis and establish an action plan. Following various initiatives, orientated mostly on preventative measures, such as training, support to team leaders, review of workplace ergonomics, and a better communication of the absenteeism rate, a significant improvement was achieved.

#### Occupational health and well-being

Professional health risks, such as exposure to hazardous materials, musculoskeletal disorders, etc. are identified and mitigated by plants following the WCM procedures and

guidelines and the ISO 45001 certified health and safety management system implemented at our manufacturing sites. The occupational illness frequency rate for Tarkett employees is 0.26 in 2021 with 5 cases (compared to 0.10 with 2 cases in 2020, 0.27 with 6 cases in 2019 and 0.13 with 3 cases in 2018).

The way that work is organized on the Group's sites varies depending on the regulatory framework of the country and the specific needs of each production site. A large part of work organization is established through collective bargaining and agreements have been signed in areas such as working hours, part-time work, and remote working. Beyond collective agreements, Tarkett is also concerned about psycho-social risks, and pays attention to sources of stress and issues related to work life balance.

Promoting health and improving wellbeing at work comes in addition to the measures related to occupational health and work-life balance. The initiatives are engaged locally and focus on raising the awareness of all employees through prevention and assistance programs in the areas of work-related stress, diet, physical activity, and tobacco use, among others.

For example, **Tarkett North America** continued in 2021 to communicate and raise awareness of its employee assistance program. This program provides support services to employees through the Carebridge Corporation. Following the long period of remote working Tarkett highlighted the program as a tool to help against languishing and in May, as part of the Mental Health Awareness month, Tarkett shared the National Alliance on Mental Illness (NAMI) message: "you are not alone". During the month Tarkett shared resources and information so that no one feels they are alone or without the support and help they need.

**Tarkett North America** also organized a webinar on the workplace in January 2021, sharing results of a global survey of 169,000 people conducted by WKspace, a workplace, interior design and change management consultancy. WKspace has been tracking employees' and employers' attitudes regularly since the beginning of the pandemic to understand how the way we work has been impacted by recent events and how the workplace might change as a result. The survey provided insights on where we're most productive, employees and employers shifting thoughts on working from home/from the office, how they would like to split their time between the home and the office, the changing role of the office and how employees' attitudes towards the environment have shifted. Tarkett understands that after the year 2020, the average workplace will probably never look the same again. Tarkett's main goal when it comes to the workplace is to make sure our employees are comfortable and are able to feel motivated.

Caring for the health and well-being of our workforce

In **France** Tarkett organised a workshop with the Ligue contre le cancer, an NGO raising awareness and funds for cancer research, as part of "Pink October" the Breast Cancer Awareness Month which is an annual communication campaign to raise awareness of breast cancer screening. Tarkett's plant in Sedan (France) and head office in Paris-La-Défense also participated locally to the national event raising money for the cancer research, as well as raising awareness about the importance of early detection. Local actions were also organised by Tarkett in the UK.

In **Poland** Tarkett promoted safety and well-being each month focussing on different topics such as COVID-19 sanitary measures, work ergonomics, and car safety. Occupational health and safety trainings were also improved and as employees returned to the office the distribution of fruit was resumed.

### Example

#### Embracing Tarkett Human-Conscious Design® with the refurbishment of Tarkett's Paris – La Défense headquarters

Tarkett welcomed its employees back in September to a redesigned, contemporary, creative, and collaborative workplace at its Group and EMEA head office in the Tour Initiale at La Défense (France). Following the COVID-19 pandemic and enforced remote working companies have been thinking about new ways of organizing their work and, in particular, the layout of their offices to meet the new needs of their employees. Tarkett carried out this reflection with its employees to better understand their expectations, their daily routines, and their way of working. The result, a workplace designed to be more welcoming, inspiring, and collaborative, with multi-purpose rooms, flexible workspaces, rooms for creativity and concentration as well as areas designed for standing meetings and small enclosed spaces to isolate for telephone calls.

The creative potential of Tarkett's flooring collections were leveraged to bring the tranquillity of nature and the energy of the city together to enhance the difference spaces, using for example Tarkett Human Fascination carpet tiles and the iQ Natural vinyl flooring with natural colors, soft and subtle hues for peace and concentration. Tarkett also partnered with local artisans to create tailor-made furniture with Tarkett materials – from meeting room tables to large desks.

### Example

Tarkett also sought to limit the environmental impact, ensuring the reuse and recycling of the replaced flooring and furniture. Over the course of the renovation nearly 9,000 m<sup>2</sup> of vinyl and linoleum flooring, and carpet tiles were collected with Tarkett's ReStart® take-back and recycling program. They were sent to Tarkett's recycling centers to be recycled into secondary raw materials or used as part of Tarkett's recycling research and innovation program. Around half the furniture was reused in the new setting, with the rest being given to employees, other Tarkett sites and charities. The renovation also provided the occasion to build a state-of-the-art showroom to bring our products to life for our customers and visitors.

### Flexible working

As the sanitary measures and response to the COVID-19 pandemic continued Tarkett adapted to the new context, maintaining flexible working arrangements where practical. Preference was given to locally developed solutions, building where relevant on existing frameworks, and taking into full consideration local authority guidance and rules. For example:

- > In **France**, Tarkett signed a new collective agreement with worker representatives on remote working for employees at its Paris - La Défense global headquarters. The new agreement, effective from March 2021, now allows for two days per week remote working (See also Section 3.10.5.3).
- > At **Tarkett's Sedan plant (France)**, a remote working collective agreement allowing up to 4 days of remote work per week or 1 to 2 weeks per month was signed in 2018. This enables all permanent employees to work remotely, where compatible with the nature of their work and with their manager's approval. This arrangement contributes to a better work life balance and less stress for employees as they manage their professional responsibilities and their domestic needs.
- > In **the Netherlands** Tarkett held webinars for all managers and all office and sales network employees on remote working. The webinars were focused on physical well-being, with ergonomic tips for the home office, and mental well-being, with tips on managing stress. The objective was to create awareness and dialogue, as well as sharing solutions to avoid any physical and mental issues during the COVID-19 period.
- > In **Poland** Tarkett implemented a hybrid model working option and helped provide employees with equipment, such as monitors and keyboards, to make home-office working more comfortable. Safety tips were also developed for remote working.

Encouraging diversity and inclusion

### 3.10.3 Encouraging diversity and inclusion

We believe that building diverse teams allows us to be more creative and comprehensive in the solutions we offer to our customers and partners around the world, more attractive to new generations who aspire to enrich themselves from this diversity, more open and inclusive in the way we work together for Tarkett's success. Our ambition is to create a more inclusive culture and build teams that reflect the diversity of our society and our customers all over the world (nationalities, origins, background, gender, generations), with everyone feeling empowered to bring a broad range of views and talents to work every day.

Diversity and Inclusion is one of the five pillars of Tarkett's global Talent Management Guiding principles. Defined as creating a diverse and inclusive environment where all perspectives are heard, respected, and valued. In the 2021 employee feedback survey 72% of employees indicated that everyone is treated fairly regardless of personal background or characteristics. This score is higher than the benchmark and in progression compared to the previous survey in 2018.

The fundamental principles of non-discrimination and equality are an integral component of our Code of Ethics and our Human Resources policies, for daily use by all employees. These principles cover issues including equality between men and women, respect for the rights of disabled people, age diversity, maternity rights, and benefits, as well as non-discrimination on the basis of sexual orientation, ethnical background, nationality or religion.

Tarkett cares deeply about the principle of diversity and inclusion, and defends equal treatment for men and women. In 2020, in line with the revised AFEP-MEDEF governance code, Tarkett proposed to the Supervisory Board a new **target of 30% of managers and executives to be women by 2025**. The Nominations, Compensations and Governance Committee of the Supervisory Board approved the proposed objective which applies to a population of more than 1,700 managers, including Tarkett's executives.

Tarkett aims to achieve this objective by strengthening its action plan on gender diversity, which includes benchmarking, setting local objectives, developing the female talent pool, increasing our attractiveness to female candidates, and raising awareness amongst our teams. We track our progress by monitoring the share of women among different categories of managers and the share of open management positions filled by a female candidate.

Across Tarkett, our HR teams are deploying this objective locally in each country as well as setting complementary diversity objectives that respond to local priorities. In 2021 Tarkett's divisions worked on identifying the most relevant local complementary diversity objectives as well as drawing up their diversity and inclusion action plans and roadmaps.

- > For example, **Tarkett's EMEA-LATAM-ANZ division** (EMEA, Latin America, Australia & New Zealand) met a number of times in 2021 with the country diversity and inclusion leaders, to share expectations, provide guidance, share good practices, and review each countries proposed diversity and inclusion goals and action plans.
- > **Tarkett's diversity and inclusion team in Latin America** worked with a local diversity and inclusion specialist to help them identify local priorities in addition to gender diversity. Integrating young talents and valuing cultural diversity were selected as two important additional topics to focus on. For each topic, including gender diversity, a detailed action plan with specific goals and indicators was developed. An initial survey was also conducted to measure employees' perception about diversity and inclusion with the results shared with employees. Actions on gender diversity include raising awareness, adapting the recruitment process to ensure the presence of a female candidate, leadership training for women and the deployment of the Manager@Tarkett training to all female supervisors and managers. Actions on integrating young talents, include organizing exchanges with members of the division management team. Valuing cultural diversity is being promoted by communicating on employees' different origins, showcasing local regional food and notable curiosities. The local diversity and inclusion team regularly monitor the progress and report to the group.
- > In Italy Tarkett started by analyzing the local status in terms of diversity to provide a starting point to identifying priorities. Generational diversity along with background diversity were selected as additional opportunities to progress locally on diversity. Goals and indicators were established for each topic along with multiple actions, such as internal coaching and training to facilitate female leadership, further improvements to the family policy to help the work/life balance, maintaining the equity in the annual gender salary review conducted in the framework of the SA8000 certification, mentoring to facilitate the transfer of knowledge and experience between generations, and the reinforcement of the multidisciplinary approach in project management.

## Encouraging diversity and inclusion

## Zoom on key indicators

## Parity between men and women

Several indicators allow us to monitor the share of women managers in the company.

Firstly, in the general population of managers, the share of women at the end of 2021 remained stable at 26%, with 447 women among 1,729 managers (compared to 26% in 2020 and 27% in 2019, 2018 & 2017). Tarkett aims to increase the share to 30% by 2025 with a greater focus on the deployment of specific actions and monitoring new metrics, such as tracking the share of open management positions filled by a female candidates (30% in 2021 and 31% in 2020).

In 2021 Tarkett adopted a slightly different approach to monitoring the share of more senior female managers, based on the grade of the position occupied by the person. This was possible thanks to the global implementation of the grading approach, together with the Global Job Catalog in 2020 and the deployment of Workday.

As such Tarkett distinguishes two other managerial populations:

- > The share of women among the **top executive positions of CEO and Executive Management Committee (EMC)**: In 2021 there were no changes so the share remained at 30%.
- > The share of women among **top executives, executives, and the next 2 management levels (senior directors and directors)**: In 2021, this population is smaller than the previous comparable group with 187 individuals of which 26% are women (the same share as 2020 in the larger group of 372 individuals for EMC to EMC-2).

Lastly, the share of women in the Supervisory Board is stable with 44% (in compliance with French regulations and AFEF-MEDEF Code).

In France, Tarkett calculates and publishes each year, in accordance with the legislation on gender equality (French "Act for the freedom to choose one's future career"), the "**Gender Equality Index**" for its three legal entities. The index is comprised of five indicators covering gender pay gaps, differences in individual salary rises, promotion differences, the percentage of female employees with salary rise following maternity leave and female representation in the top 10 salaries. In 2021, Tarkett (corporate teams in France) scored 96/100 (vs 92 in 2020 and 90 in 2019), Tarkett France (teams from flooring activities in France) scored 90/100 (vs 87 in 2020 and 82 in 2019) and FieldTurf France scored 91/100 (vs 92/100 in 2020 and 2019). These results demonstrate Tarkett's commitment and continuing efforts on gender equality and notably gender pay equality in France. For several years, part of the pay rise budget in France has been allocated to reducing the pay gap between men and women.

Over and above gender diversity Tarkett is also attentive to other aspects of diversity and inclusion. For example, in some locations Tarkett has an aging workforce and so is locally focused on recruiting young candidates. In that respect, in **France, our Sedan plant** has developed partnerships with local universities to help increase the visibility and awareness of opportunities at Tarkett for internships and apprentices as the plant looks to increase the generational diversity with young employees. In 2021 the plant welcomed 12 apprentices organizing a special integration day for them with their mentors.

**Tarkett's division in North America** continued to develop its Equity, Diversity, and Inclusion (EDI) program in 2021. Training on EDI was provided through two specific modules. "Unconscious Bias Training" helps individuals learn to notice and adjust for bias; more fully respect, include, and value the people around them, and release everyone's potential to contribute their best. This was followed by 25 leaders with plans to roll-out to all HR, Operations and Sales. "Meaningful Conversations" provides a framework and language for employees to speak up and turn uncomfortable bias and negative diversity related situations into a relational dialogue. This training was provided to approximately 75 members of our Employee Resource Groups and their managers. More employees joined the two Employee Resource Groups (ERGs) which were created in 2020. These groups are voluntary, employee-led groups which aim to foster a diverse, inclusive workplace by bringing together individuals based on common interests, backgrounds, or demographic factors such as gender, race, or ethnicity. The Equity, Pride, Inclusive, Celebrate (EPIC) ERG is a group that includes people of color working across multiple Tarkett North America locations. The mission of EPIC is to provide an equitable work environment where employees of color can be supported and actively shape Tarkett's inclusive culture. The ERG created an inclusion calendar, highlighting the wide variety of celebrations and events each month and providing information and resource so all employees so they can further their learning and understanding. For example, in February, the division highlighted Black History Month, in March, International Women's Day, Autism awareness month in April, Pride month in June, Hispanic Heritage month in September, etc. The other ERG is CONNECT, a professional women's group with a mission to tackle gender gaps with the

## Applying our Talent Management Guiding Principles

participation of now over 100 females across all Tarkett North America locations. CONNECT's purpose as a group is to provide a trusting and safe community for women where they can be their authentic selves without fear of criticism or judgement.

In **Australia**, Tarkett developed and published to all employees an anti-violence, anti-harassment and anti-bullying policy.

Depending on the country, the local regulations permit or not the identification and tracking of **people with disabilities** within the company. For this reason, it is difficult to determine a unique global indicator to track progress in this area. In 2021, the share of Tarkett's disabled employees identified as such was 1%.

Tarkett is working to facilitate the integration of disabled employees in the work environment, through the implementation of concrete measures at the local level. For example, at **Clervaux (Luxembourg)**, we work with a state agency to help adapt the workstations for disabled employees. At **Sedan (France)**, we have a partnership with CapEmploi, an unemployment agency specialized around the employment of disabled professionals. Each November, the Sedan plant participates in the European Disability

Employment week with a Duo Day. The Duo day, an event promoted by French government, provides an opportunity for a person with a disability to discover a company by spending time with an employee, learning about their role and the company. Both the employee and the disabled person come away richer, the employee with a different perspective on inclusion and the disabled person a step further in their professional project. In 2021 the plant welcomed 4 workers with disabilities on Duo Day.

At our **Hanaskog plant in Sweden** we have cooperated with government initiatives to facilitate the integration of long-term unemployed people, notably immigrants (see for more details in our 2020 CSR report).

In 2020, Tarkett completed a **global job grading project** with the support of a leading consulting firm. By establishing broad equivalences in roles and contributions across organizational and geographic boundaries we aim to promote internal consistency aligning pay to performance and market practices in a consistent, fair, and competitive way. Together with the new Tarkett Global Job Catalog, backbone of Workday, developed and fed with the global grading project outputs, this will contribute to our company's goals on internal mobility and diversity.

### 3.10.4 Applying our Talent Management Guiding Principles

#### 3.10.4.1 Identifying and promoting talents

Tarkett's almost 12,000 employees are an essential asset and the leading actors in achieving our goals, making the Human Resources function highly strategic. While Tarkett has grown as a result of many acquisitions, the sense of belonging to the Group is very strong. This is the result of a Human Resources policy that has both preserved entrepreneurial spirit in the field, and the advantages of an international group.

To further support Tarkett's growth and talent development, our Human Resources management and talent development established, in 2020, global **Talent Management Guiding Principles**, based on five main pillars:

**1. Diversity and inclusion:** Create a diverse and inclusive environment where all perspectives are heard, respected, and valued

**2. Empowerment:** Drive ownership and deliver results

**3. Engagement:** Create a positive Employee experience that exemplifies Tarkett values

**4. Excellence:** Expect and enable sustainable high performance

**5. Growth mindset:** Focus on continuous learning and growth

These principles, focus on how to nurture talent, for example by, systematically promoting internal mobility, recruiting outside high potential candidates, always fostering talent diversity; developing our people, expecting and enabling high performance with ambitious goals and regular feedback; promoting continuous learning and anticipating developmental career moves.

## Applying our Talent Management Guiding Principles

The global talent team, created in 2019 by the Group with talent directors in our **EMEA, Eastern Europe and North American divisions**, continued to exchange regularly in 2021 with bi-weekly meetings and additional meetings on specific topics when needed. The team discussed and aligned on Talent Management processes, tools, and principles; shared divisions' initiatives and reviewed internal mobility desires and openings with the aim of generating more opportunities and more cross-division and cross-function movements. As one of its outputs, this team co-built, developed, and proposed to the Group HR Core Team the Talent Management ambition and detailed guidelines for each area of Talent Management function. These Talent Management Guiding Principles were declined into new rules and processes and implemented into our Workday information system. The presence of the team has reinforced the One-Tarkett approach, the identification of synergies between Divisions and with the Group and generated savings.

In order to leverage the One-Tarkett approach in Talent Management, each Division Talent Director (together with Group HR Development team) took a Global Functional lead, in addition to their Division Talent Management responsibilities. These cover Operations, Supply Chain and R&D; Sales, Marketing, Innovation and Digital; Finance, IT, Legal and HR. The Global functional lead's missions are to support the development of career opportunities within the function at international level, and to capitalize on division good practices to build global development initiatives for their respective function, in partnership with the Group and Division leaders, and the HR community.

Another priority action of our "One Tarkett, Agile and Performance-driven" strategy is to promote and develop **Tarkett's seven entrepreneurial leadership traits**: Think business, Accountable, Risk for results, Kind to customers, Empowers collaboration, Talent developer and Thorough. These seven traits are included in the annual performance appraisal tool (for all non-blue-collar employees), with examples provided of the corresponding behaviors expected at each level in the organization. In addition a guide for the human resources network is available to help the understanding and the application of the traits along with another specific guide to help managers and HR professionals better identify the seven traits in the recruitment process.

The **360°-feedback survey**, launched in 2019, provides another opportunity to analyze the way managers embody the leadership traits and to accompany them to identify areas for development and to initiate action plans with the support of a neutral HR Coach. The feedback process includes feedback from colleagues, team members, managers, and other relevant people. In 2021 additional questions on diversity, inclusion and sustainability were

added to the feedback questionnaire. To date 189 managers have benefited from this process collectively receiving feedback from over 2 500 people. Each manager is debriefed by an HR coach to help identify the main areas for development and draft the first action plans. Based on the 360°-feedback to date, the importance of diversity and safety at work have come out as the highest rated qualities of these managers.

### Example

#### Our compelling employee value proposition

To promote the expertise of its teams, the career development opportunities, and the work experience within the Group, Tarkett decided to update in 2021 its tools and its positioning to promote its employer brand, both internally and externally, aligned with its Tarkett Human-Conscious Design® approach. The objective is to attract the best talents and to value the teams within the Group. A dedicated career section on Tarkett's new corporate website has been created with employee testimony videos (<https://www.tarkett-group.com/en/careers/meet-our-people/>) to inform about the company's jobs and culture.

#### Tarkett Human-Conscious Design® / Employer brand:

**Living our commitments with associates and candidates:** Anchored in strong values, we are committed to developing engaged and successful teams that place customers at the heart of their priorities and positively impact local communities.

- > **Deep human understanding:** We understand that people want to make an impact and be successful. At Tarkett, the playing field is international with opportunities to engage in wide variety of jobs within diverse teams. Forging relationships based on trust, genuine understanding of human motivators and respect for diversity of thinking are key drivers of our success.
- > **Conscious choices for people and planet:** With a 140 year track record, we believe that what we do matters. We encourage our teams to make conscious and purpose-led choices about our products and activities, to continuously enhance people's quality of life while contributing to a more sustainable world.
- > **With you. Every step of the way:** We believe that our Human-Conscious Design® approach inspires great achievements and lets people flourish in a healthy and fulfilling work environment.

## Applying our Talent Management Guiding Principles

Tarkett has developed several successful internship and recruitment programs with top engineering schools such as its partnership with the 'Ecole des Mines de Nancy' in Clervaux (Luxembourg) which includes Tarkett's participation to job days and conferences organized by the school as well hosting plant visits for the students. Narni (Italy) has also established partnerships in recent years with 4 universities, a specialized academy and 5 secondary schools, offering regular work experience placements. Local managers give lessons on quality, safety, environment and human resources strategy at the schools and students have the opportunity to visit the plant (due to the COVID-19 situation, the training was provided remotely and plant visits were not possible, however 60 students joined a virtual video about Narni linoleum production and sustainability initiatives in 2021). Wiltz (Luxembourg) has a program for taking Ph.D students on specific research topics such as the resistance of different surface treatments to use or the interaction of flooring and light. Other Tarkett plants have developed similar programs such as Sedan (France), Konz (Germany) and Lenham (UK) in EMEA and Bačka Palanka (Serbia) in Eastern Europe. In the United States, Tarkett's national internship program which works with a number of universities and schools in different states, was paused due to the COVID-19 pandemic. However, in 2021 Tarkett supported an initiative which encourages future designers to consider sustainability as it participated on the jury of the Wanted Design Online Schools 2021 Workshop entitled "Neo-nature: Rethinking our relationship with nature in the urban context". WantedDesign is a platform, created by two French design entrepreneurs, dedicated to promoting design and fostering an international creative community at large throughout the year.

**Tarkett organizes ongoing talent review and development with the following key processes:**

> **The Performance and Development Review:** this annual interview is the foundation of our performance management system. It is an opportunity for managers and their teams to spend valuable time together to engage in a constructive, attentive dialogue. From the company's perspective, this allows us to understand the career goals of our employees and to assess their progress. In 2021 the annual review and goal setting process for white collar workers was conducted using the Workday platform for the first time.

Development plans could also be established using Workday. Following this first campaign the Tarkett Workday support team obtained feedback from managers to see how to optimise and improve the process.

- > **The Talent Review** is a structured process which aims to assess career opportunities against the company's long-term needs and the mobility options for our employees. It involves people from the management and Human Resources team during regular meetings where anticipated organizational changes are examined in accordance with the needs and business environment of the company and considering the skills, potential and career development goals of employees. The Talent Review, which mainly concerns managers, experts, and critical positions essential for the Group's operations and expertise, makes it possible to define succession planning and internal mobility. In 2021, the focus has been to support managers in having more qualitative career discussions with their subordinates after the talent reviews. A tailor-made e-learning has been developed and pushed to all Tarkett people managers through Workday Learning and is now part of the global training offer.
- > **The WCM program development plan** has the objective to identify key skills for implementation of the WCM program and achievement of industrial objectives. Structured WCM training programs are implemented in factories in the light of the priorities there, with the aim of developing the growth potential of all employees, whether they are senior executives or workers. In 2021 Tarkett added an innovative solution to its WCM training with two new training modules available through a mobile phone app.

### Zoom on key indicators

#### Performance and Development Review

99.9% of white-collar employees had a Performance and Development Review in 2021 and 86% of them also had their goals set. Overall, 56% of all Tarkett permanent employees had a Performance and Development Review (or equivalent) in 2021, compared to 50% in 2020, 55% in 2019 and 53% in 2018.

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### 3.10.4.2 Facilitating learning & development programs

In 2021 Tarkett encouraged each employee to define a personal Development Plan: a roadmap to guide individual career development with near- and long-term goals. Employees develop their plan considering feedback from colleagues, teammates, and HR, using the annual performance and development dialogue process to complete their plan. The approach applies the 70:20:10 model to developing the action plan, which recognizes and favors the importance of on-the-job experience (70%) and interactions with others (20%), in addition to formal training (10%). We also want to address our global population by using more modern features especially videos. It is well-proven that videos create a more engaging experience for the learner, and that the brain processes video information in a faster and more efficient way than written information. In 2021 the Group in collaboration with Divisions' Talent Directors, started developing a series of content in English on talent management using a cartoon format called "One Minute Series".

- > First **"One Minute Series" videos** delivered on feedback, 70-20-10 development model and potential. They have been pushed globally through the internal website, Workday in news section and on Workday Learning.
- > Support was also provided through a **global course on employee engagement on career development**. The "Discussing Career Development" training module was developed and pushed through Workday to all managers and HR. It aims to guide managers on discussing career development and how to carry out the process effectively.
- > In North America, Tarkett organized **coaching workshops** aimed at helping managers to become better coaches. The new three-part program "InsideOut" covered aspects such as simple workplace coaching tools; conversations focused on key priorities, including difficult topics; enhancing decision making amongst team members; and helping others to take action and own outcomes.

Formal training programs remain a key element to helping our employees develop and deliver on our ability to accelerate our development and to strengthen our customer centric capability. Tarkett continued to provide a wide range of training content, ensuring training on essential topics such as product knowledge, sustainability, health and safety, remote working and compliance, as well as leadership development:

- > In the continuity of the Business Leadership Program which ran until 2019 in partnership with the London Business School, we kicked-off a new **Leadership Program** in December 2021. Tarkett's senior management have been strongly involved in the design of this

new program, ensuring that the program provides answers to the business and people leadership challenges. Our new partner Turningpoint, specialized in international leadership development, has also provided expert assistance in designing the program. The program, sponsored by Tarkett's CEO, will provide new development opportunities for two cohorts of Tarkett leaders each year focusing on new tools and new ways of leading teams. The program will be conducted over 8 months with remote on-line activities and an off-site residential seminar. Leaders in the program will be supported along the way by external executive coaches.

- > Various **trainings on health, safety and environmental topics** are delivered on the plants as part of the WCM program.
- > We have **targeted training programs on sustainability**, mainly for our sales force and marketing teams, to leverage our approach and the sustainability features of our products.
  - In the **EMEA division**, Tarkett provides support and training to marketing and sales teams to help them communicate on Tarkett's commitment to transparency and sustainability, and to value it as a key differentiator. Training modules and webinars exist on specific topics such as Cradle to Cradle® principles, circular economy, product transparency and Tarkett products' sustainability benefits. In 2021 Tarkett tested a new approach pushing live webinar content on sustainability through Workday Learning to specific populations in an optimized and automatized way.
  - **Tarkett North America** continued its training program for its regional sales organization. Over the last three years, this program has included training for 10 regional Sustainability Leaders to become LEED associates (LEED credentials are delivered by the US Green Building Council – USGBC and denote proficiency in sustainable design, construction, and operations standards), training for our North American showroom managers and in 2021 training of sales teams across 8 US markets (Washington DC, NYC, Nashville, San Francisco, Ohio, Dallas, Charlotte and Boston). The training, which was delivered through Workday, will continue in 2022 in the remaining US regions and in Canada. This latest sustainability training program covered topics including Tarkett's history of action and commitment to sustainability, Cradle to Cradle® principles, Indoor Air Quality, Material Health Statements, EPDs, Carbon footprint and Floorprint. The training is broken into 4 segments with a quiz after each segment.



Applying our Talent Management Guiding Principles

- In **Australia**, in addition to sustainability and well-being presentations for new employees, Tarkett partnered with a certified consultant for the WELL™ standard, to deliver a training program for the senior sales team to understand how our products comply with the WELL™ standard for healthier buildings.
- > Tarkett is engaged in raising awareness and sharing knowledge with employees on sustainability topics notably through regular newsletters, webinars, and events. For example, Tarkett North America raised awareness in April 2021, highlighting the 8 UN Sustainable Development Goals to which Tarkett actively contributes with tips on simple ways to have a positive impact. It also continued its partnership with the clean water program 'Fill it Forward' (for more details see Section 3.9.2.3 Giving time, assistance, and other contributions to local communities: Tarkett Cares). Tarkett's Nordic sales region (**Sweden, Finland, Norway, and Denmark**) organized internal sustainability webinars for Tarkett employees covering topics on recycling, circular economy, sustainability characteristics of modern vinyl flooring and Environmental Product Declarations (EPDs). The sales teams in **Germany, Austria, Switzerland, and Spain** also received training on product certification and transparency tools (C2C & MHS®) and on indoor air quality. In **Russia**, Tarkett communicated to employees on Tarkett's employee value proposition and the importance of safety, diversity, dialogue, and engagement in local communities, and provided an organized internal webinars for regional sales teams and management on Tarkett's sustainability actions.

Example

**Embedding sustainability in learning and development in EMEA**

In 2021 Tarkett EMEA teams continued to further embed sustainability into learning and development. For example, communication on sustainability topics is a permanent feature of the division monthly newsletter. The Tarkett leadership model has also been adapted to embed sustainability and highlight the importance of the way we lead our people. Progress on sustainability is promoted through individual objective setting and through a structured learning path on sustainability topics with different levels depending on the function. Lastly these initiatives were completed with a questionnaire (in 16 languages) deployed throughout division to evaluate knowledge and understanding of sustainability topics amongst sales and marketing teams.

Example

**Employee mobilization on climate in North America.**

Tarkett's North American division organized a week of education and activities around Tarkett's global Sustainability Day in December. The intent of this global day is to engage employees in our sustainability initiatives and help our teams learn more about the work we're doing as a company to support people and planet. Tarkett North America animated a "Tarkett Take Action Week" to engage and empower our employees to take personal action to reduce their carbon footprints. To achieve this, Tarkett partnered with BetterClimate, a platform that provides an easy way for employees to better understand where their carbon impact is highest across consumption, transportation, and household emissions. The tool enables participants to develop personal action plans with simple steps they can each take every day to have a positive impact on the environment. To encourage participation Tarkett organized a daily prize draw with prizes aligned to each day's climate impact focus. Over 400 employees engaged in the initiative during the week, setting over 750 commitments to adopt greener habits at home and at work. BetterClimate calculated that these employee actions equated to avoiding some 100 tons CO2 (231,000 lbs).

- > Continued **compliance training** focusing on fair competition and anti-corruption, consisting of customized e-learning modules (see section 3.2.4 Our commitment to high ethical standards) as well as in-person training for staff most exposed to corruption and competition risks.
- > We moreover train our employees and **develop their competences through experience**, by having them participate in cross-functional initiatives and multidisciplinary projects, and by encouraging best practice sharing and knowledge transfer (for more details see section 3.10.4.4 Sharing expertise and recognizing achievements).

**Facilitating online training in the new context of greater remote working**

With increased remote-working, following the COVID-19 pandemic, Tarkett continued to adapt its training tools and programs, notably with a view to facilitating online training.

Applying our Talent Management Guiding Principles

In March 2021, we launched a **LinkedIn Learning** pilot covering approximately 900 people from all Divisions and regions. LinkedIn Learning provides a comprehensive library of courses covering a wide range of technical, business, software, soft skills and creative topics. The first step of this project was to test a global approach on the use of off-the-shelf digital content, while succeeding in getting strong engagement key for wider deployment. Tarkett worked closely with the provider to analyze results, to benchmark against other companies, and to benefit from the providers experience and advice on best practices. Tarkett achieved 78% of account activation in the first 9 months of project, with 1,084 hours of videos watched globally.

Following the deployment of Workday as Tarkett's group-wide HR information system in 2020, the Group HR team began, in 2021, developing the **learning center inside the Workday platform**. Tarkett's North American division was the first to deploy this new functionality. The first Group contents made available on this platform were compliance training and the Pilot LinkedIn Learning content. The aim being to make training possibilities more visible, with Workday providing a single point of access to our training contents, and make training management more efficient, with automated processes so people can focus on more value-added activities. Different pilots were initiated during 2021 by the Group to leverage Workday Learning usage in Eastern-Europe, EMEA and central functions. To date over 500 training modules have been accessed through Workday Learning.

As the Group HR team worked on setting up the Workday Learning platform the global COVID-19 learning hub created in 2020 continued to provide a rich catalogue of content on topics such as remote working, leadership, business ethics, safety, compliance and sustainability. This provided employees, remotely or in the office, with the opportunity to invest their available time in selected developmental activities.

In **Europe**, our training teams continued to share new content developed in 2020, providing online training for our Marketing / Communications teams and Sales Networks. Sustainability topics, such as indoor air quality, circular economy, Cradle to Cradle® eco-design and ReStart® collection and recycling are covered as well as detailed content on product portfolios. Since March 2021, 150 employees from Tarkett's EMEA - LATAM - ANZ division have started testing LinkedIn Learning which enables employees to better choose what to learn and at what pace, with content available in 6 languages. Furthermore, a **new coaching program** was trailed in 2021 in partnership with CoachHub, a leader in digital coaching. The CoachHub leverages the advantages of face-to-face coaching, providing an objectives-based, personalized approach, respecting confidentiality, and neutrality, with no given answer from the certified experienced coach. After an initial employee onboarding phase with the selection of a coach and objective setting, the coaching phase rolls out over

6 months with 2 sessions of 45 minutes per month. Feedback from the employee is subsequently organized with the manager to measure the outcomes of the coaching.

In **North America**, Tarkett offered virtual training opportunities in 2021 to our employees as flexible/remote working measures continued to apply. For example, "Foundations", the new hire orientation program invited new hires to participate in a fully virtual orientation that consisted of a combination of on demand learning and interactive webinars with various business leaders to learn about Tarkett's products and functional areas. A new fully virtual leadership program was also deployed for 100 leaders across all plant locations. The 11-month program provided leaders with training on new concepts one month, followed by action planning, application, and discussion with local plant leadership the following month.

In Tarkett's **Eastern European & Asia division** our HR teams developed internal online training courses with internal experts on various topics including circular economy, macroeconomics, finance for non-finance people and situational leadership. At Tarkett's plant in Bačka Palanka (Serbia), a pilot project was conducted to deliver training content through Workday. Firstly, training needs were assessed, then corresponding training content prepared and integrated into Workday, followed by the deployment of the training courses. Feedback was gathered and used to improve the process before launching a second phase of training sessions. In total over 100 employees participated to the first phase which concerned two leadership courses. At our Otradny (Russia) plant a coaching program aimed at improving management skills for all managerial levels was carried out through training, practice, and demonstration, using the principle of 70-20-10 (70% on the job experiences, 20% from feedback and observing / working with role models and 10% from formal training). 32 managers participated to the 12-week program. Retail training was organized for Galerija Podova in Serbia aimed at developing product knowledge and selling skills with 95% of sales employees trained during 37 training sessions.

Zoom on key indicators

Training

44% of Tarkett employees were trained (at least 1 day) in 2021, compared to 34% in 2020, 58% in 2019, 60% in 2018 and 56% in 2017. Training was again heavily impacted by the COVID-19 pandemic in 2021 with continued remote working and social distancing measures limiting formal classroom type training. Tarkett focussed on deploying new digital solutions, such as LinkedIn learning and other digital content via Tarkett's Workday Learning platform. Through these efforts, overall training hours increased by 49% compared to 2020, and were only 4% lower than 2019.

Applying our Talent Management Guiding Principles

### 3.10.4.3 Fostering career mobility

The growing international dimension of the Group makes career mobility of great importance and offers employees motivating career perspectives. To foster career mobility opportunities, Tarkett has set up appropriate processes and tools:

- > An **international platform for internal mobility powered by Workday**: all non-confidential open positions are progressively being made accessible worldwide to every employee through the Workday interface. With all Tarkett HR processes now being centralized in one place it is easier for employees to consult Tarkett open positions anywhere in the world, at any time and more often. The Workday recruitment module also allows employees to share their background and career interests by updating their talent profiles, and by subscribing to receive recommended job opportunities based on preferences and profiles. In 2021, in the first year of deployment, over 2,000 talent profiles have been updated by employees. Managers and Human Resources teams are also able to exploit Workday to identify profiles and to manage and follow-up associated recruitment processes.

- > **The Talent Review process** focuses on internal career mobility, taking into account international mobility opportunities (see for more details section 3.10.4.1 Identifying and promoting talents).
- > **Orientation documents** are available, such as the Internal Mobility Charter available to all employees via intranet, and the Mobility Guide, a reference document used by the Human Resources network.

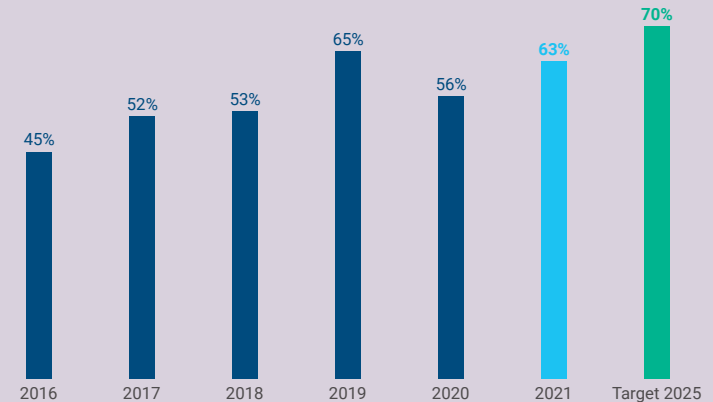
All international mobility packages are aligned with Tarkett's international mobility policy, which includes preparation on new assignment, support on immigration, relocation, compensation, social benefits (medical and life insurance), tax advice, language lessons, cultural orientation, and facilitating return to home country. In addition to group action, local teams also facilitate and organize international moves.

#### Zoom on key indicators

##### Internal mobility

Tarkett set a target of 70% internal mobility by 2025 which represents more than 2 out of 3 open management positions filled by an internal candidate. In 2021, 63% of open management positions were filled by an internal candidate, an increase of 7 points versus 2020 (56% in 2020, 65% in 2019, 53% in 2018, 52% in 2017 and 45% in 2016). It can be noted that the drop in 2020 reflected the specific context where overall the number of open management positions filled was down 19%, no doubt impacted by the sanitary crisis, where lockdowns implemented worldwide limited opportunities for international mobility. In 2021 the number of open management positions filled increased but remained lower than 2019.

Share of open management positions filled by an internal candidate



Applying our Talent Management Guiding Principles

### 3.10.4.4 Sharing expertise and recognizing achievements

The development of “collective expertise” is a key element to anticipate the changes needed in order to fulfil the company strategy. It involves sharing of expertise which also allows employees to improve their know-how, their employability, and their mobility. The company can thus value its talent pool and improve results.

Many initiatives and networks promote **expertise sharing and competency development**, for example:

- > We strongly encourage **multidisciplinary teamwork**, by bringing together employees from diverse backgrounds on projects taking place at the Group or division scale.
- > We also encourage **networking**, best practice sharing, internal benchmark forums (comparative analysis), as well as knowledge transfer.
- > Within the scope of the WCM program, we organize every year a series of specific meetings on one of the Tarkett manufacturing sites. The objective is to develop the skills of our experts in manufacturing processes and share knowledge in terms of operational excellence. These **benchmark initiatives** have been organized within the Group's plants since 2012.
- > The WCM program also encourages plant operators to get involved and propose ideas for improvement, hence becoming actors in the development and improvement of their working environment.
- > The **Tarkett Technical Expert Program**, launched in 2015, capitalizes on the technical expertise of our Research & Development and Operations teams. Our objective is to use the know-how of our technical experts, and to help them develop their long-term career development, via tutoring, training and knowledge sharing. This network is supported by a dedicated IT platform where each Tarkett Technical Expert is present with a clear mention of their expertise, thus facilitating their identification by other technical experts and the connection between them, as well the use of their expertise by other “Technical

Expertise consumers”. Additionally, they can identify and contact, through the platform, some external key Technical Experts, if expertise is not present at Tarkett. In order to boost the Tarkett Expert Program, an audit was made at the end of 2019. It has led to a new review of critical expertise with a gap analysis, the strengthening of industry 4.0<sup>1</sup> aspects, the review and update of participants to the program, and to the building and deployment of new action plans with greater emphasis on the animation and development of the Expert networks. In 2020 further attention has been given to fostering the development of internal technical experts, defining their roles and responsibilities, and developing dedicated career paths. In 2021, the individual follow-up of technical experts has been reinforced with a focus on developing actions toward the most critical expertise.

- > Tarkett encourages innovation and invention with a **global policy to reward inventors**. The policy which was updated in 2021 and now applicable globally, rewards patented inventions with a financial bonus linked to the business performance of the patented invention.
- > Regular internal communication, through emails, podcasts, newsletters, and events to share local and group news and information.

In 2021, **Tarkett North America** launched a new recognition initiative. Acting on employee feedback which highlighted the opportunity to provide more employee appreciation, Tarkett partnered with Awardco to host a recognition platform. The platform enables Tarkett to facilitate employee recognition based on Tarkett's values: caring, committed, creative and collaborative. The online and easily accessible external site supports multiple languages and is based on flexibility and choice in how to reward and recognize team members through a point system that allows the recipient to accumulate points, with the option of selecting a variety of awards.

<sup>1</sup> Also known as 4<sup>th</sup> industrial revolution, related to the ongoing automation and use of smart technology in manufacturing

Promoting social dialogue

### 3.10.5 Promoting social dialogue

#### 3.10.5.1 Listening to employee feedback

Tarkett organizes every two years, since 2008, company-wide feedback providing an opportunity for all employees to share their experience and to participate in the continuous improvement of the workplace. The anonymous survey, overseen by an independent third-party, helps to reinforce employees' sense of belonging by giving them the opportunity to be heard through a formal structured engagement process. It also provides a rich insight for management on how employees feel and where to improve.

In 2021, the survey, which was conducted in May and June on a new online platform, was reviewed and simplified. 48 questions assessed employee perspectives on four main aspects closely related to Tarkett's Change to Win strategic plan: (i) the vision and confidence in the future, (ii) the building of an agile working environment, (iii) the development of a sustainable, people-orientated company, and (iv) how engaged people are.

The participation rate remained high at above 80% (81% vs 88% in 2018) with 9,351 people responding to the survey, providing a reliable picture of current employee sentiment. The results, which were detailed per division, country and activity, were shared internally through a collaborative platform enabling managers to build action plans to act on the findings. Training was also provided to accompany managers following up on the results and in using the new interactive platform.

Overall, 79% of employees are confident in the future (+8% vs 2018) demonstrating high trust in Tarkett's ability to deliver on its objectives. 83% of employees found their work-life balance to be acceptable (66% strongly agree and agree + 17% neither agree nor disagree), which represents an increase of 10% compared to the previous survey (2018). Progress was also registered on internal communication (+7% vs 2018) and on the care and concern demonstrated by managers for their teams (76%, +4% vs 2018). Another positive note concerned talent development as Tarkett scored 9% above the benchmark with 80% of employees having the opinion that they have improved their skills and abilities over the past year. On environment, health and safety topics, 77% of employees felt that locally Tarkett is focused on improving its environmental impact and 83% agreed that health and safety is a priority in their department. The survey which took place on the back of the year long COVID-19 pandemic also questioned employees on the how the company accompanied them. Here too the feedback was positive with the large majority (73%) indicating that management provided enough support during the health crisis.

At both the scale of the Group and locally, the Tarkett employee satisfaction survey is an invaluable and used management tool. Based on the analysis of the survey results, each site / entity develops a customized action plan to be implemented at the local level. These local plans are reinforced by action plans determined at the Group and division levels, and consistently implemented.

A specific short additional survey was also conducted on senior leaders on the performance of the organization and on Tarkett's managerial culture. 84% of the over 200 senior leaders at Tarkett took part, indicating that Tarkett's managerial culture is customer and results orientated.

Promoting social dialogue

### 3.10.5.2 Maintaining social dialogue

The regulatory scope of dialogue between employers and employee representatives varies from one country to another. However, in addition to respecting local labor legislation, Tarkett applies in all the countries in which it operates the same respect for its fundamental values and principles of freedom of association, and in particular respect for trade unions.

The Tarkett Forum, the Group's European works council, provides a platform for social dialogue in Europe. Several times per year, this council brings together trade union representatives of our main European sites to dialogue with Group Management, including our CEO. This council strengthens cooperation and social dialogue and focusses on issues pertaining to the general functioning of the company and discusses HR issues common to different sites and countries in Europe. In 2021, the Tarkett Forum held four meetings virtually, to discuss among the other topics, the COVID-19 pandemic, its repercussions on the business and financial situation as well as Tarkett's response to safeguard employee health. Other topics discussed include safety, raw material inflation and the consequences for the business, the results of the 2021 employee feedback survey, and Division strategic projects such as ongoing restructurings.

### 3.10.5.3 Establishing collective agreements

Tarkett is committed to respecting, in addition to the legal obligations specific to each country, employee freedom of association, collective bargaining and representation. We apply these principles without exception and in the same way in all countries where the Group operates.

In line with this policy, 177 collective agreements are in place at Tarkett, and 14% of which cover issues related to occupational health or safety. The agreements cover a wide range of topics such as compensation and benefits, overall work time, work organization, remote working, and employment classification. They apply in 16 countries where Tarkett engages in sales and / or industrial activity. In March 2021 Tarkett reviewed with worker representatives the remote-working arrangements adopted in 2019 for its global headquarters Paris-La Défense site for corporate and EMEA division teams. Based on the

During the COVID-19 crisis Tarkett increased dialogue and consultation with worker representatives to co-elaborate and define measures adapted to the local context. For example, in France the sanitary crisis and related adaptations towards working arrangements were fully discussed with worker representatives.

At Tarkett's 2020 annual general meeting in April, shareholders voted to amend Tarkett's articles of association to comply with the French PACTE law (Action Plan for Business Growth and Transformation) regarding employee representation in its governing body. Subsequently, Tarkett's Social and Economic Committee engaged procedures to identify a female candidate to ensure gender parity amongst the two members of Tarkett's Supervisory Board representing employees. This new female employee representative started her mandate with the Supervisory Board in December 2020. In December 2021, two new employee representatives among them one female employee - have been elected, following the departure of the two former representatives.

positive feedback received from managers and employees, it was decided to revise the arrangements to allow for up to two days remote working per week. All employees, where their job allows, are able to choose to work remotely one or two days per week and can opt for either fixed or variable days. The new agreement was signed in March 2021 and came into effect in September following the end of the COVID-19 remote-working period. This new collective agreement, which is based on voluntary application and suitable remote working conditions, maintains the double objective of company performance and enabling a better work-life balance. In 2020 a new profit-sharing agreement was signed for the period 2020-2022 covering the employees at Tarkett's Paris-La Défense site. This agreement carries on from the previous one, which already granted profit sharing allowances to employees.

Promoting social dialogue

### 3.10.5.4 Accompanying the changes and adjustments of the workforce

Tarkett has a mid and long-term vision of its development plan and strives to ensure profitable, sustainable growth. The Group is committed to growing the skills and employability of its employees, not only to allow each individual to contribute and to grow within the company, but also to anticipate and support the evolution of the organization. Whenever possible, the Group strives to anticipate the consequences of variations in activity. In case of reduction in activity, the Group may be called to occasionally or structurally downsize. Adapting work organization to the activity level, downsizing or restructuring plans are carried out in compliance with local regulations and the principles of the Tarkett Code of Ethics, in consultation with employee representatives. Within the scope of measures to adjust to reduced activity, Tarkett seeks above all to adapt work organization (taking paid vacation, reorganization of work time, partial unemployment, etc.), reduce temporary employees (interim and fixed term contracts), favor internal re-employment solutions, and include social criteria for people leaving the company (retirement, age, career, or personal projects).

Tarkett's plant in Konz (Germany) was restructured during 2021, in order to ensure the competitive viability of the production site and the resilient flooring business in the long term. A social plan was agreed with the local works council which included severance pay and internal mobility. Several employees accepted the mobility proposal and moved to our Clervaux plant (Luxembourg) at the beginning of 2021. In the second half of the year, a total of 23 employees left the Konz plant, 14 with severance pay and the others either with early retirement or accepting a part-time contract.

Tarkett announced in October 2021, following its acquisition of Vinylasa, a vinyl composition tile (VCT) manufacturer based in Mexico City (Mexico), the aim of transitioning production of VCT from Florence West (US) to this new location (Tarkett Manufacturing Mexico). From 2022, all VCT product for Tarkett North America will be manufactured at Tarkett Manufacturing Mexico with Florence West focusing on Luxury Vinyl Tile (LVT) production. Tarkett has been working with those directly impacted by this change, offering job placement, career search and employee assistance program (EAP) support. This change enhances Tarkett's competitive position with VCT in North America, improving profitability while also facilitating greater focus on domestic LVT production.

Globally, involuntary departures remained stable in 2021, representing 5% of permanent turnover, while voluntary departures increased 6 points to 14%. As a result, permanent turnover increased to 19% in 2021 compared to 13% in 2020, 17% in 2019, 16% in 2018 and 13% in 2017.

## 3.11 Social and Environmental Report

### 3.11.1 CSR indicators dashboard

#### Social Indicators

GRI	Indicator	Variation 2021 vs. 2020	Variation 2021 vs. base year	2021	2020	2019
<b>Workforce</b>						
102-7a	Total number of employees (as of 31/12)	-2.4%	-	11,872	12,160	12,592
102-8a	Total number of permanent contract female employees	-4.5%	-	3,100	3,245	3,385
102-8a	Total number of permanent contract male employees	-1.8%	-	7,975	8,123	8,338
102-8a	Share of permanent employees	=	-	93%	93%	93 %
102-8a	Total number of fixed-term contract female employees	2.6%	-	239	233	235
102-8a	Total number of fixed-term contract male employees	-0.2%	-	558	559	634
102-8a	Share of fixed-term employees	=	-	7%	7%	7%
102-8b	Total number of permanent contract employees	-2.6%	-	11,075	11,368	11,723
102-8b	Total number of fixed-term contract employees	0.6%	-	797	792	869
102-8d	Number of external workers (FTE)	18.2%	-	505	427	488
102-8d	Share of external workers (% of total FTE)	0.7%	-	4.2%	3.5%	3.8%
-	Total wages and salaries (€m)	2.3%	-	684	669	718
<b>New Employee Hires and Employee Turnover</b>						
401-1a	Number of employee hires	42%	-	2,599	1,834	2,454
401-1a	Rate of employee hires	7%	-	22%	15%	19%
-	Number of permanent contracts ended by employee (e.g. resignation, retirement)	69%	-	1,520	900	1,136
-	Number of permanent contracts ended by employer (e.g. lay-off)	-0.2%	-	600	601	886
-	Permanent employee turnover rate	6%	-	19%	13%	17%
401-1b	Total number of employee departures	35%	-	2,911	2,155	2,910



## CSR indicators dashboard

GRI	Indicator	Variation 2021 vs. 2020	Variation 2021 vs. base year	2021	2020	2019
401-1b	Total employee turnover rate	7%	-	25%	18%	23%
	Diversity					
405-1a	Percentage of female administrators in Tarkett Supervisory Board	=	-	44%	44%	44%
405-1a	Percentage of administrators in Tarkett Supervisory Board below 30 years	=	-	0%	0%	0%
405-1a	Percentage of administrators in Tarkett Supervisory Board between 30 to 50 years	11%	-	33%	22%	22%
405-1a	Percentage of administrators in Tarkett Supervisory Board above 50 years	-11%	-	67%	78%	78%
405-1b	Percentage of females in Executive Management Committee (CEO & EMC Senior Executives)	=	-	30%	30%	18%
405-1b	Percentage of female Top Executives (CEO, EMC Senior Executives & Executives)	-	-	20%	25% <sup>1</sup>	25% <sup>1</sup>
405-1b	Percentage of female Directors and above (Top Executives, Senior Directors & Directors)	-	-	26%	26% <sup>2</sup>	24% <sup>1</sup>
405-1b	Percentage of women in management	=	-	26%	26%	27%
405-1b	Percentage of female other employees	=	-	29%	29%	29%
405-1b	Percentage of female employees	-0.5%	-	28%	29%	29%
405-1b	Percentage of employees below 30 years	1.3%	-	13%	12%	13%
405-1b	Percentage of employees between 30 to 49 years	-0.8%	-	56%	57%	57%
405-1b	Percentage of employees above 50 years	-0.5%	-	30%	31%	30%
405-1b	Percentage of employees with disabilities	0.1%	-	1.2%	1.1%	0.9%
	<b>Training and Development</b>					
-	Percentage of employees trained at least 1 day during the year [base year 2011]	9%	7%	44%	34%	58%
-	Training hours (thousand hours) [base year 2013]	49%	23%	246	165	256
412-2b	Percentage of employees who have participated to e-learning training on Business Ethics	-	-	97.6%	-	-
404-1	Average number of training hours per employee	53%	-	21	14	20
404-3	Percentage of employees who had a PDR, Polyvalence Matrix or equivalent appraisal	15%	-	63%	48%	53%
-	Percentage of permanent contract employees who had a PDR, Polyvalence Matrix or equivalent appraisal	6%	-	56%	50%	55%

<sup>1</sup> In previous years this referred to a slightly larger population for EMC to EMC-1

<sup>2</sup> In previous years this referred to a slightly larger population for EMC to EMC-2

## CSR indicators dashboard

GRI	Indicator	Variation 2021 vs. 2020	Variation 2021 vs. base year	2021	2020	2019
-	Percentage of open management positions filled by an internal candidate	7%	-	63%	56%	65%
203-2	Number of external people who received Tarkett Academy training	57%	-	8,148	5,176	8,229
<b>Proactive Internal Communication and Social Dialogue</b>						
-	Progress on "Listen to employees and engage in social dialogue" in employee feedback survey [base year 2010] (*2018)	-1%	-4%	53%	-	54%*
-	Progress on "Communicate proactively towards all employees" in employee feedback survey [base year 2010] (*2018)	5%	15%	71%	-	66%*
<b>Occupational Safety &amp; Health</b>						
403-9a	Injury frequency rate – LTA only [FR0t] for all employees	-31%	-	0.89	1.28	1.64
403-9a	Recordable Lost Time Accident (LTA) Frequency Rate [FR1t] for all employees	-2%	-	2.56	2.62	2.19
403-9a	Lost day rate due to LTA – accident severity rate [TG0t] for all employees	-41%	-	0.059	0.100	0.077
403-10a	Occupational illnesses (OI) frequency rate for all employees	155%	-	0.26	0.10	0.27
403-9a	Absentee rate (employees)	0.5%	-	4.4%	3.9%	2.6%
403-9a	Number of fatal accidents	-	-	0	0	0
403-9b	Injury frequency rate – LTA only [FR0t] – external workers	-44%	-	4.85	8.73	8.28
-	Percentage of formal agreements covering health & safety topics	-4%	-	14%	18%	-
-	Progress on "Ensure respect and integrity through adhesion to Tarkett values" in employee feedback survey [base year 2010] (*2018)	17%	29%	85%	-	68.0*
<b>Tarkett Cares</b>						
203-1	Number of community initiatives supported through time, flooring, other material or funding contributions	-35%	-	88	135	182
203-1	Number of employees involved in community initiatives	60%	-	1,168	730	1,401
203-1	Number of days of donated time through volunteering (based on 7 hours per day)	-87%	-	91	692	921
203-1	Quantity of flooring products donated to community initiatives (m <sup>2</sup> )	-72%	-	5,669	20,187	19,864
203-1	Total value of contributions to community initiatives (in k€)	-77%	-	103	445	710

## CSR indicators dashboard

## Environmental Indicators

GRI	Indicator	Variation 2021 vs. 2020	Variation 2021 vs. base year	2021	2020	2019
	<b>Good Materials</b>					
416-1	Percentage of raw materials third-party assessed for their impact on people's health and the environment based on Cradle to Cradle® criteria (% of purchase volume) [base year 2011]	-0.5%	90%	97%	98%	98%
-	Percentage of raw materials not contributing to resource scarcity (abundant, rapidly renewable or recycled) [base year 2011]	-1%	2%	70%	68%	67%
301-1	Percentage of renewable or recycled raw materials	1%	-	31%	30%	30%
301-2	Percentage of recycled content of raw materials	1.5%	-	15%	13%	12%
	<b>Resource Stewardship</b>					
303-5	Water intensity (liters/m <sup>2</sup> ) [base year 2010]	10.7%	-49%	2.7	2.4	2.9
303-5	Water consumption (million cubic meters)	11.8%	-	0.71	0,63	0.73
-	Percentage of manufacturing sites that have implemented closed- loop water circuits (or do not use water in their process) [base year 2010]	=	10%	71%	71%	66%
302-3	Energy intensity (kWh/m <sup>2</sup> ) [base year 2010]	4.7%	2.5%	4.19	4.00	4.09
302-1a	Non-renewable fuel energy consumption (GWh)	6.0%	-	500	472	514
302-1b	Renewable fuel energy consumption (GWh)	10.1%	-	88	80	95
302-1c	Purchased electricity and steam consumption (GWh)	4.8%	-	524	500	527
302-1d	Generated electricity sold (GWh)	-	-	-	-	-
302-1e	Total energy consumption (GWh)	5.7%	-	1,112	1,052	1,136
	Percentage of energy consumption coming from renewable energies	11.5%		38%	27%	28%
305-4a	GHG market-based emissions intensity (Scope 1 & Scope 2) (kgCO <sub>2</sub> e/m <sup>2</sup> ) [base year 2010]	-11.4%	-35.2%	0.67	0.76	0.87
305-1a	Gross direct (Scope 1) GHG emissions (tCO <sub>2</sub> equivalent)	5.8%	-	94,368	89,196	97,805
305-1c	Biogenic CO <sub>2</sub> emissions (tCO <sub>2</sub> )	10.4%	-	30,519	27,655	32,982
305-2a	Gross location-based indirect (Scope 2) GHG emissions (tCO <sub>2</sub> equivalent)	1.3%	-	172,718	170,512	190,387
305-2b	Gross market- based indirect (Scope 2) GHG emissions (tCO <sub>2</sub> equivalent)	-24.0%	-	83,099	109,293	144,873

## CSR indicators dashboard

GRI	Indicator	Variation 2021 vs. 2020	Variation 2021 vs. base year	2021	2020	2019
	Total Scope 1 & 2 (market-based) GHG emissions (tCO <sub>2</sub> e) [base year 2019]	-10.6%	-26.9%	177,466	198,488	242,677
	Percentage reduction of Scope 1 & 2 GHG emissions vs 2019	-8.7%	-	-26.9%	-18.2%	-
	Percentage of production sites certified to ISO 14001	1%		82%	81%	85%
<b>People-friendly Spaces</b>						
416-1	Percentage of phthalate-free flooring [base year 2010]	-2%	95%	95%	97%	74%
416-1	Percentage of flooring with low Volatile Organic Compound (VOC) emissions levels [base year 2010]	1%	78%	99%	98%	98%
<b>Recycling and Reuse</b>						
-	Non-recycled waste intensity (g/m <sup>2</sup> ) [base year 2015]	-3%	22%	149	154	143
306-2a	Hazardous waste (thousand metric tons)	32%	-	6.6	5.0	4.2
306-2b	Non-hazardous waste (thousand metric tons)	-7%	-	33.0	35.4	35.5
306-2	Total waste to landfill (thousand metric tons) [base year 2015]	-12%	23%	24.2	27.6	27.3
306-2	Percentage of total waste sent to landfill	-1%	-	27%	28%	28%
306-2	Percentage of total waste sent to external recycling	-2%	-	57%	59%	59%
306-2	Percentage of total waste sent for energy recovery	2%	-	11%	9%	9%
306-2	Percentage of non-recycled waste sent to landfill [base year 2015]	-7%	7%	61%	68%	69%
301-3	Quantity of post-installation and end-of-use flooring collected through the ReStart® program (metric tons) [base year 2010]	7%	-83%	3,200	3,000	3,300
<b>Responsible sourcing Indicators</b>						
	Percentage (in spend) of suppliers who have adhered to Tarkett's Responsible sourcing Code of Conduct or equivalent	5%	-	49%	44%	41%
	Percentage (in number) of targeted suppliers who have adhered to Tarkett's Responsible sourcing Code of Conduct or equivalent	16%	-	36%	20% <sup>1</sup>	80%

<sup>1</sup> As a result of the roll-out of Tarkett's responsible sourcing programme, the targeted supplier base has increased, resulting in a lower proportion of suppliers adhering

## CSR indicators dashboard

## Social Indicators by Region

GRI	Indicator	2021	Europe <sup>(1)</sup>	North America <sup>(2)</sup>	Rest of World <sup>(3)</sup>
	<b>Workforce</b>				
102-7a	Total number of employees (as of 31/12)	11,872	36.5%	31.2%	32.4%
102-8b	Total number of permanent contract employees	11,075	4,096	3,493	3,486
102-8b	Total number of fixed-term contract employees	797	232	206	359
	<b>New Employee Hires and Employee Turnover</b>				
401-1a	Number of employee hires	2,599	533	1,635	431
401-1a	Rate of employee hires	22%	12%	43%	11%
401-1b	Total number of employee departures	2,911	724	1,728	459
401-1b	Total employee turnover rate	25%	17%	47%	12%
	<b>Occupational Safety &amp; Health</b>				
403-2a	Recordable Lost Time Accident (LTA) Frequency Rate [FR1t] for all employees	2.56	2.97	5.24	0.14
403-2a	Lost day rate due to LTA – accident severity rate [TG0t] for all employees	0.059	0.067	0.033	0.072
403-2a	Occupational illnesses (OI) frequency rate for all employees	0.26	0.44	0.00	0.00
403-2a	Absentee rate (employees)	4.4%	4.5%	5.4%	3.6%
403-2b	Injury frequency rate – LTA only [FR0t] – external workers	4.85	4.08	0.00	15.22

(1) Europe: Corporate, EMEA & Tarkett Sports EMEA

(2) North America: Tarkett North America & Tarkett Sports North America

(3) Rest of World: Tarkett Eastern Europe, LATAM, Asia, Australia & New Zealand, & Tarkett Sports Australia

### 3.11.2 CSR methodological note

Since becoming a listed company in 2013 Tarkett publishes, as required by French regulatory requirements, information on the social, environmental, and societal aspects of its activities in its annual management report (Universal Registration Document). This information includes Tarkett's Corporate Social Responsibility (CSR) Key Performance Indicators (KPIs) taken from Tarkett's Sustainability Dashboard. The Dashboard is an essential tool for monitoring and guiding performance. Its principal objective is to provide the Group with relevant indicators to evaluate the deployment of its strategy and fulfil its regulatory obligations. Progress is measured against a base year set for certain key performance indicators.

In accordance with French regulatory requirements, the corporate environmental and social information has been verified by an independent third-party organization (the report on corporate, environmental, and social information by one of the statutory auditors, appointed as an independent third-party organization).

#### Guiding frameworks

Tarkett's CSR reporting and sustainability dashboard have been developed based on the following frameworks:

- > The Group's Change to Win strategy and its historical commitment to CSR, where each strategic initiative relies on one or more quantified indicators, certain of which are the subject of long-term objectives (2020 objectives set in 2011 and 2025 / 2030 objectives set in 2019, 2020 and 2021).
- > The European Union Non-Financial Reporting Directive 2014/95/EC and the French regulations on non-financial statement, known as the extra-financial performance declaration: the social, environmental, and societal information required by Article L.225-102-1 of the French Commercial Code is included in the form of indicators or quantified statistics in the dashboard (the qualitative information is presented in other sections of the management report).
- > The UN Global Compact: in connection with the Group's voluntary commitment, the dashboard is a tool for managing performance in every dimension of the Global Compact.
- > The Global Reporting Initiative (GRI) Standards 2016: this report discloses as far as is currently possible the GRI Standards: Core option. A GRI content table (see section 3.11.3 GRI and DPEF concordance table) indicates where the relevant standard disclosures can be found in this report.
- > The recommendations of the Task force on Climate-related Financial Disclosures (TCFD).

- > The Greenhouse Gas Protocol: Greenhouse emissions are quantified and reported according to the World Business Council for Sustainable Development (WBCSD) and the World Resources Institute (WRI) GHG Protocol.
- > Cradle to Cradle® (C2C) principles for the design of our products, from material selection and product manufacturing, to installation, use, maintenance, end-of-use and product recovery.

The sustainability dashboard is built around three dimensions: social responsibility, environmental responsibility, and corporate governance.

#### Methodological procedures

Tarkett's CSR reporting procedures are documented in a comprehensive CSR Reporting Handbook which was established, in consultation with the different internal CSR topic owners, in 2017. These procedures further aligned Tarkett's reporting with the 2016 GRI Standards: core option. The Handbook was presented to and approved by the Executive Management Committee and is reviewed and updated each year taking into account feedback and any changes in reporting requirements or objectives. The CSR Reporting Handbook sets out:

- > the aims of Tarkett's CSR reporting and the Change to Win strategy "People and Planet" pillar objectives for 2025 and 2030 ;
- > the reporting principles, reporting scope, reporting tools, internal controls and consolidation rules;
- > the reporting organization, responsibilities, and planning; and
- > the detailed definitions, specific guidelines, and control points of all reported indicators.

The following is a summary from the CSR Reporting Handbook:

#### Reporting principles

##### Stakeholder Inclusiveness

Tarkett is committed to meeting the expectations of its stakeholders by investing in long-term relations. Tarkett engages with stakeholders through diverse means to ensure that its strategies and reporting account for their expectations.

##### Sustainability Context

Tarkett is determined to contribute, wherever its business activities allow, to addressing several of the most important and pressing challenges that face society in the 21st century (combating climate change, managing scarce natural resources sustainably and promoting people's well-being and the development of healthy living spaces)

CSR methodological note

### Materiality

Tarkett conducted a stakeholder survey in 2016 to identify Tarkett material topics and ensure that its Sustainability policies are aligned with stakeholder expectations

### Completeness

Tarkett's CSR report covers the same scope as the consolidated financial report. Topics covered in the report reflect the organization's significant economic, environmental, and social impacts. Material CSR topics are not omitted. Furthermore, Tarkett strives to explore new and upcoming topics in appropriate detail.

### Accuracy

Tarkett strives to ensure the accuracy of reported data, with clearly documented definitions and procedures in its CSR Reporting Handbook and with multiple controls.

### Balance

Tarkett tracks its performance in order to report on progress as well as challenges, thus reflecting in a transparent manner both positive and negative aspects of its CSR performance.

### Clarity

CSR information is presented by Tarkett in a clear, detailed manner, in order to be easily understood by stakeholders.

### Comparability

Tarkett promotes consistent reporting through well documented procedures and presents indicators with comparisons to previous periods and base years with the exception of certain newly deployed indicators where data for previous periods is not yet available and for indicators which are not reported annually (e.g. indicators related to Tarkett's employee feedback survey conducted every two years).

### Reliability

Reported data is documented and verified during internal and third-party external audits in order to provide additional confidence in the veracity of published content.

### Timeliness

Tarkett publishes CSR information annually with financial reports in March / April.

### Reporting period

The annual reporting period is aligned with the financial year which is the calendar year from 1st January to 31st December. This report concerns the period 1st January 2021 to 31st December 2021.

### Reporting frequency

CSR reporting for external publication needs is conducted annually. Intermediary reporting for internal purposes is conducted for certain topics (e.g. monthly reporting of WCM industrial KPI).

### Scope of reporting

The scope of reporting is Group-wide, covering all activities over which the Group has operational control, as follows:

#### Social reporting covers:

- > The workers (employees and external workers, depending on the indicators) at all entities in the consolidated financial scope excluding plants in the process of closing where production ceased in prior years. Other specific limitations for certain indicators are detailed under the paragraph "Specific limits to scope of reporting" in this methodological note.
- > This scope includes all manufacturing plants, sales network, and administrative offices for Tarkett payroll employees (except where specific limits to scope of reporting are given) and external workers for certain indicators.

#### Environmental reporting covers:

- > The manufacturing activities at all plants in the consolidated financial scope, except for our Tuzla plant in Turkey which is not yet fully operational and our new plant in Mexico acquired late in 2021. Other specific limitations for certain indicators are detailed under the paragraph "Specific limits to scope of reporting" in this methodological note.
- > The flooring and sports surface finished goods produced at all plants in the consolidated financial scope.

### Reporting organization

The reporting process of CSR / sustainability indicators is managed and consolidated since 2018 by the Financial department with the support from the different concerned functions (including R&D and Operations/WCM, HR, Legal, ...), divisions and sites. Each CSR topic and its relevant indicators are owned by a member of the Tarkett Executive Management Committee (EMC). The clear ownership and responsibility ensure accurate, reliable, and timely reporting of CSR data and indicators.

## CSR methodological note

**Reporting tools**

HR CSR scorecard: data on workforce, headcount, diversity, etc. topics collected in a specific reporting Excel scorecard and consolidated by the Group. In 2021 TNA will generate part of these HR indicators from Workday to fulfill Excel Scorecard.

Tarkett Cares scorecard: data compiled in a specific reporting Excel scorecard and consolidated by the Group.

Employee satisfaction: measured every two years through the internal employee satisfaction survey.

Academy: data on Tarkett Academy training collected in a specific reporting Excel scorecard and consolidated by the Group.

WCM environmental, safety and absence indicators: data reported in a dedicated scorecard for each manufacturing plant with data uploaded monthly to a Group data repository.

Indoor air quality and safe, healthy spaces: phthalate-free, low VOC emission and production volume data collected from plants in a specific reporting Excel scorecard and consolidated by the Group.

Good materials: indicators on resource scarcity and Cradle to Cradle® assessment compiled from raw material purchase data and material assessment database and consolidated by Group in a specific reporting Excel scorecard.

ReStart®: data on post-installation and end-of-use flooring waste collection collected in a specific reporting Excel scorecard and consolidated by the Group.

Supplier commitment to Tarkett supplier Code of conduct: data compiled from purchasing databases. The purchase amounts are based on the previous year (01/01/Y-1 to 31/12/Y-1).

**Specific limits to scope of reporting**

Safety: the following entities are excluded from safety indicators since hours worked are not reported: FieldTurf North America & Sales Network (1 injury with lost time <24h and 3 first aids in 2021), FieldTurf USA Sales Network (2 LTAs with 2 lost days in total, 11 injuries with lost time <24h and 6 first aids in 2021), Beynon Sales Network and Tarkett USA Sales Network (these entities represent approximately 8% of Tarkett's headcount).

Absence: excluding the following entities in the US, where hours lost for unplanned absence are not tracked according to Group rules: FieldTurf North America & Sales Network, FieldTurf USA Sales Network, Beynon Sales Network and Tarkett USA Sales Network (these entities represent approximately 8% of Tarkett's headcount). Hours of absence reported in Tarkett North America include COVID-19 related furlough. In 2021, Tarkett North America did not report scheduled hours and the hours of absence for "salaried employees" (representing approximately 40% of the division's workforce - defined as employees paid at flat rate, regardless of specific hours worked, unlike hourly employees who are paid a wage for each hour worked). As this data was reported for some entities in Tarkett North America in 2020 the difference in scope implies the data is not comparable.

Raw material assessment & resource scarcity: All raw materials for the production of finished and semi-finished flooring and sports surface products, excluding the three entities acquired in 2018 (Lexmark in Dalton, US; Thermagreen in Toronto, Canada and Grassman in Botany, Australia representing together 2% of all finished goods production) for which reporting is still being established; outsourced finished goods; process chemicals (except for carpet) and packaging. Any post-installation or post-use materials collected and effectively recycled by FieldTurf or Beynon Sports Surfaces are not included, with the exception of recycled post-use artificial turf recycled at Abtsteinach, Germany.

ReStart®: Any post-installation or post-use materials collected and effectively recycled by FieldTurf or Beynon Sports Surfaces are not included.

Environmental manufacturing indicators: Water, energy, greenhouse gas emissions and waste indicators are reported for all industrial sites excluding the plants which closed during 2021 (None for the reporting year).

Indoor air quality and safe, healthy spaces indicators: Share of phthalate-free, share of low VOC emission and share of non-quantifiable VOC emission products exclude all semi-finished production volume, the production volume for automotive industry at Clervaux (Luxembourg) and other non-relevant production volumes (e.g. outdoor sports surfaces). Production volume at plants which closed in 2020 (Goirle in the Netherlands) was excluded. The production volume for Lexmark in Dalton (US), which was acquired in 2018 and for which reporting is still being established, was also excluded.



## CSR methodological note

Supplier commitment to Tarkett supplier Code of conduct: All direct purchases (raw materials and finished goods suppliers) and indirect purchases (local suppliers and service providers for production operations, excluding energy) from manufacturing sites (with the exception of purchases for Lexmark), excluding inter-company spends of semi-finished goods and indirect head office purchases.

**CSR indicator definitions (extract from Tarkett CSR Reporting Handbook)****Social**

*Full time equivalent (FTE):* used to measure the effective workforce during the reporting period as opposed to the headcount which is the number of employees present at the end of the reporting period. Reported for both Tarkett payroll employees and external workers.

*Headcount:* number of Tarkett payroll employees at the last day of the month of reporting period.

*Tarkett payroll employees:* All workers who are engaged by Tarkett and are on the Tarkett payroll, including interns / trainees and apprentices if on payroll. Excluding non-active staff (employees on leave greater than 6 months).

*Permanent contract:* Employee engaged by Tarkett for no specified duration (i.e. indefinite contract for an indeterminate period). Exception for China where employees on 2 or more years fixed-term contract are considered as permanent.

*Fixed-term contract:* Employee on Tarkett payroll engaged for a specified limited duration (i.e. employee temporary contract), including Tarkett Sports seasonal workers.

*Geographical zones:* EMEA comprises Tarkett EMEA, Tarkett Sports EMEA & corporate; North America comprises Tarkett North America & Tarkett Sports North America; Rest of World comprises Tarkett Eastern Europe, Asia, Australia & New Zealand, Latin America and Tarkett Sports Australia.

*External workers:* Any worker who does not have an employment contract with Tarkett / is not on Tarkett payroll (e.g. external workers on contract with a temporary staff employment

or leasing agency hired to support regular operations). Not including "subcontractors working for specific projects (as example SAP implementation).

*Manager:* A manager is an employee with at least one direct report at the date of reporting (e.g. 31.12), including blue collar workers (e.g. shift leaders, group leaders, extension supervisors and team managers are considered as managers). An employee who is considered a manager (e.g. manager in job title) but who does not have direct team management responsibility or the managed team is composed only of Contingent Workers and/or Interns is not considered a manager for the CSR reporting.

*Other employees:* All employees other than managers at the date of reporting.

*Disabled employees:* Reported according to local labor laws where permitted.

*Top executives (CEO, EMC - Senior Executives and Executives):* covering the 3 management Levels CEO, EMC - Senior Executives and Executives.

*Senior executives (Senior Directors and Directors):* covering Top Executives and the following 2 management levels Senior Directors and Directors.

*Employees hired:* Number of employees (with permanent or fixed-term contracts) added to the payroll including employees hired on the final day of reporting period.

*Rate of employee hires:* employees hired / headcount

*Total number of employee departures:* Number of employees (with permanent or fixed-term contracts) removed from the payroll.

*Total employee turnover rate:* employee departures / headcount.

*Permanent employee turnover rate:* permanent contract employee departures / permanent employee headcount.

*% of employees trained at least 1 day during the year:* Share of employees in headcount at end of year, where an employee is considered as "having received training" if the cumulative number of training hours received over the full year exceeds 1 full day (8 hours).

## CSR methodological note

**Training hours:** Training in Tarkett is considered as development activity, with specific support, and confirmation of attendance. For e-learning, the training hours reported correspond, where possible, to the real time spent by employees following online e-learning courses as recorded by the e-learning systems (for both "in progress" and "completed" courses). If real time is not available, the theoretical duration of the online training is taken into account.

**PDD, Polyvalence Matrix or equivalent appraisal:** The annual appraisal ("Performance and Development Dialogue" and "Polyvalence Matrix") is an annual exchange between the employee and his/her manager to discuss achievements, skills, opportunity for improvement and development program.

**Open management positions filled by an internal candidate:** A management position is a position (manager) with at least one direct report. An open position is a vacancy for which a person has been hired or transferred. An internal candidate is a candidate already a Tarkett employee.

**Open management positions filled by a female candidate:** A management position filled with an internal or an external female candidate.

**Number of external people who received Tarkett Academy training:** Number of people (excluding employees and external workers) having completed a Tarkett Academy technical training session / program in the Tarkett Academy network.

**Tarkett Academy network:** The Tarkett Academy organizes and provides specific technical training programs (amongst others, in flooring installation and maintenance) at dedicated training centers and at other locations.

**Dedicated Tarkett Academy technical training center:** A Tarkett facility that is dedicated to giving technical training (including training to external people).

**Number of injuries - employees:** Includes work-related accidents according to the local legal definition for all employees (according to Tarkett's definition of employee). It therefore does not include commuting accidents or accidents of visitors or external workers, which are tracked separately.

**LTA:** A Lost Time Accident (including fatality) where the individual is more seriously injured and as a result, they are unavailable to attend work for a period greater than 24 hours.

**Injuries with lost time <24hours:** A workplace injury which is sufficiently serious to mean that the injured person is unable to attend work for the remainder of the day, however are available to return to work the next day.

**Injuries with first aid:** A workplace minor injury where the injured party is able to return to work following a brief period of minor treatment from an occupational nurse or trained staff member.

**Injury frequency rate - LTA only [FR0t]:**  $\# \text{ LTA} \times 1\,000\,000 / \text{worked hours}$ , where the number of LTA include fatal accidents.

**Recordable Lost Time Accident (LTA) Frequency Rate [FR1t]:**  $\text{Injury frequency rate} = \# \text{ LTA} + \# \text{ Injuries with lost time } < 24 \text{ hours} \times 1\,000\,000 / \text{worked hours}$ , where the number of LTA include fatal accidents.

**Lost day rate due to LTA – accident severity rate [TG0t]:**  $\# \text{ of working days lost for LTA} \times 1000 / \text{worked hours}$ .

**Occupational illnesses:** An occupational illness (or disease) is defined as, "any abnormal condition or disorder, other than one resulting from an occupational injury, caused by exposure to factors associated with employment."

**Occupational illnesses frequency rate:**  $\# \text{ Occupational illnesses} / \text{worked hours} \times 1\,000\,000$ .

**Hours lost for absence:** Worked hours lost for unplanned absence (i.e. illness, worked-related accidents, strikes or other unexcused absence) of all employees during the reporting period up to 30 days. Excluding "planned sick leave" absence (e.g. in North America where certain categories of workers, such as office workers, have pre-determined quota of "paid sick days" that they can take without justification and where actual sick days are not tracked) and excluding COVID-19 furlough. Where an employee returns to work, but only part-time (e.g. therapeutic phased return to work), after an absence, then the employee is no longer considered absent.

**Absentee rate %:**  $\# \text{ hours lost for absence} / \# \text{ total scheduled hours}$ .

## CSR methodological note

*Progress on "Ensure respect and integrity through adherence to Tarkett values":* Score to the following question in the biennial (every two years) employee feedback survey: "In my unit, compliance with applicable laws, regulations and Tarkett policies is taken seriously". This replaces the previous indicator based on the average of 2 questions.

*Progress on "Listen to employees":* Score to the following question in the biennial employee feedback survey: "Sufficient effort is made to get the opinions and thinking of people who work in Tarkett". This replaces the previous indicator based on the average of 2 questions.

*Progress on "Communicate proactively towards all employees":* Average score to 2 questions in the biennial employee feedback survey: "Tarkett's strategic priorities and goals have been clearly communicated to me" and "I am kept informed about matters that affect me".

*Total compensation and benefits:* Total of short-term employee benefits (as per Group Accounting Manual): wages, salaries and social security contributions; paid annual leave and paid sick leave; profit-sharing and bonuses payable within twelve months of the end of the period; non-monetary benefits, such as medical care, housing, cars and free or subsidized goods or services.

### Tarkett Cares

*Community initiatives:* The Tarkett Cares program promotes the participation of Tarkett employees and Tarkett entities in local community initiatives which help the community for better living and contributes to local community's needs. As per Tarkett Cares guidelines the initiative should be connected to Tarkett's values, core business or sustainability commitment and carried out with an officially recognized non-profit organization (including public services such as schools).

*Employees involved:* The total number of employees who have volunteered 1 or more hours to community initiatives.

*Hours volunteered:* The total number of hours volunteered during working hours. As per Tarkett Cares rules, each employee can volunteer (share time and talent) between 1 hour and 2 days per year during working hours. Hours volunteered outside of working hours (e.g. evenings, weekends, holidays) are not included.

*Flooring products donated:* Total square meters of flooring products donated to community initiatives.

*Total value of contributions to community initiatives:* Value of flooring products donated based on standard factory price (cost of production) + value of other in-kind contributions (cost of purchased materials) + cash donations + value of volunteered hours (calculated using total employee wages and salaries and FTE).

### Business Ethics

*% of employees who have participated to e-learning training on Business Ethics:* share of employees targeted who have completed the Tarkett online e-learning.

*Total number of employees targeted for e-learning training on Business Ethics:* based on the invitations for online e-learning.

*Employees targeted for training:* Employees, who by their job profile are particularly exposed to corruption, competition or data privacy risks as defined in the legal risk assessments, are expected to complete one of dedicated training as defined by Tarkett Legal Department.

### Environmental

*Indicators on raw materials:* purchases of raw materials only (excluding indirect purchases and finished products). Most raw material purchase data comes from Tarkett's global SAP data warehouse. The remaining (5%) is reported by plants.

*Percentage of raw materials third-party assessed for their impact on people's health and the environment based on Cradle to Cradle® criteria (% of purchase volume):* Share of materials purchased (in metric tons), for which an impact study was carried out pursuant to Cradle-to-Cradle principles "Product Standard Material Health Methodology Nov. 2013" available at [www.c2certified.com](http://www.c2certified.com). Tarkett uses ABC-X classification, which evaluates risks related to the impact of chemical substances on the environment and human health. For raw materials in SAP the ratings A, B, C, [], X and [X] are considered as assessed at a SKU level. For other raw materials the ratings A, B, C, [], X, [X] and Grey are considered as assessed by raw materials family. For PVC materials, an evaluation has been performed among the supply chain to verify use of BAT (Best Available Techniques) technology on chloralkali process as well as additives involved. PVC has been rated according to specific EPEA criteria. For those PVC suppliers that have not yet provided information or have provided incomplete information a precautionary approach is taken and pre-assessed [X] until information will be provided.

*Percentage of raw materials not contributing to resource scarcity (abundant, rapidly renewable or recycled) (% of raw materials in mass):* Materials characterized based on resources used in their production process (fossil, limited minerals, abundant minerals, renewable, recycled). The 3 categories not contributing to resource scarcity are: mineral abundant, renewable and recycled. This includes purchased raw materials as well as recycled materials used in production.

## CSR methodological note

**Fossil origin:** Every resource synthesized from fossil fuel, especially oil, but also sulphates. The category excludes fossil minerals like Calcium carbonate. Polyvinyl Chloride (PVC) is considered as 43% fossil (petrol) and 57% mineral abundant (sea salt).

**Mineral origin:** A chemical element or inorganic combination of chemical elements occurring naturally, extracted from the ground or water and used in economic activities. The category includes fossil-formed minerals like charcoal or limestone. Mineral abundant resource - that is not threatened by scarcity. It can have important reserve (sea salt – sodium chloride, limestone – calcium carbonate...), very good recycling process (like Aluminium) or be virtually inexhaustible (chlorine in sea water). Mineral limited resource - that is threatened by exhaustion in a short term (as defined by selected models) and that is to be substituted in priority.

**Renewable origin:** A resource of which reserves can be replenished in the same or less time than the one needed for its consumption.

**Recycled origin:** Materials that would otherwise have been sent for waste disposal, used in lieu of primary raw materials, including post-consumer and post-installation flooring waste collected by Tarkett (e.g. ReStart®) and effectively recycled and used in Tarkett products; post-manufacturing waste from Tarkett that is reprocessed into secondary raw material and recycled in Tarkett production; recycled (post-consumer and/or post-manufacturing) waste procured by Tarkett from other organizations for Tarkett production and recycled content of other procured raw materials.

**Manufacturing environmental intensity indicators:** Tarkett tracks and reports its environmental performance per square meter of floor covering and sports surface. These intensity ratios are calculated by dividing the (numerator) environmental manufacturing indicators (water, energy, greenhouse gas emissions and non-recycled waste) by the (denominator) volume of finished goods – floor covering and sports surfaces in square meters. The volume of semi-finished goods is not included.

**Water consumption:** All water consumed in the production / technical process, including for cooling as well as water not consumed in the production process, but consumed on site (e.g. in sanitary, in canteens). Water sources are groundwater, surface water and municipal water. Excluding rainwater consumption, which is not tracked. Reported groundwater consumption at Bačka Palanka corresponds to the water consumed as measured by on-site meters rather than water pumped from ground.

**Share of manufacturing plants that have implemented closed-loop water circuits (or do not use water in their process):** Closed-loop water circuit considered as when water is recycled and reused in a closed loop. The only make-up normally required is that needed to replace small water losses. Each plant calculates % of reused water using flow data and formula  $A / (A+B+C)$  where A = volume of water re-used or recycled; B = volume of water consumed and discharged directly and C = volume of water consumed to refill the loop. Plants considered as having closed-loop water circuit when results  $\geq 98\%$ .

**Non-renewable fuel consumption:** Includes the consumption of fuel oil, natural gas, liquefied petroleum gas, propane and/or butane, other petroleum gas (e.g. ethane).

**Renewable fuel consumption:** Includes the consumption of biomass, biofuel, geothermal, solar thermal and solar photovoltaic energy. Excluding the purchase of renewable electricity reported separately as part of purchased electricity.

**Purchased electricity consumption:** Renewable and non-renewable purchased electricity and steam consumption.

- > Non-renewable electricity: share of electricity purchased from a supplier using a non-renewable energy source to generate the electricity supplied during the reporting period. Including purchased steam for one plant and a small amount (<1%) of purchased heat from a district heating network for another plant.
- > Renewable electricity: share of electricity purchased from a supplier using a renewable energy source to generate the electricity supplied during the reporting period.

**Generated electricity sold:** renewable electricity generated and sold to the grid (a negligible quantity in 2018 and so not reported in 2019, 2020 and 2021).

**Total energy consumption:** renewable fuel + non-renewable fuel + purchased electricity consumption + purchased steam consumption. NB. Purchased steam consumption is included in consolidated total energy consumption since 2020 (3.9 GWh). 2019 and 2018 figures have not been restated, and as such do not include the purchased steam corresponding to those years: 2019: 12.6 GWh and 2018: 15.0 GWh.

**Greenhouse gas (GHG) emissions reporting:** Since 2017 Tarkett aligned its inventory of GHG emissions with the GHG Protocol and GRI 2016 standards. As such it includes the CH<sub>4</sub> and N<sub>2</sub>O biomass Scope 1 emissions) as well as reporting separately the outside of scope biogenic CO<sub>2</sub> emissions. Furthermore, it reports both market-based and location-based Scope 2 GHG emissions (which also include CH<sub>4</sub> and N<sub>2</sub>O as well as CO<sub>2</sub> emissions). Sales Network entities are not included in the reporting of GHG emissions.

## CSR methodological note

*Gross direct (Scope 1) GHG emissions:* Natural gas, fuel oil, LPG, propane, butane, other petroleum gas (e.g. ethane), biomass and biofuel consumption multiplied by their respective emission factors (for biomass consumption this relates only to Scope 1 CH<sub>4</sub> and N<sub>2</sub>O emissions, out of scope biogenic CO<sub>2</sub> emissions are reported separately).

*Biogenic CO<sub>2</sub> emissions (out of scope):* CO<sub>2</sub> emissions arising from the combustion of biomass or biofuel are reported outside of Scope 1, Scope 2 and Scope 3 GHG emissions. These emissions are reported outside of the scope because the Scope 1 impact of these fuels has been determined to be a net '0' (since the fuel source itself absorbs an equivalent amount of CO<sub>2</sub> during the growth phase as the amount of CO<sub>2</sub> released through combustion).

*Gross location-based indirect (Scope 2) (GHG) emissions:* Total electricity consumption multiplied by the location-based emission factors, where the location-based method reflects the average GHG emissions intensity of grids on which energy consumption occurs, using mostly grid-average emission factor data. GHG emissions related to purchased steam consumption is calculated by multiplying this consumption by an emission factor related to the consumption of electricity produced by coal combustion.

*Gross market-based indirect (Scope 2) (GHG) emissions:* Electricity consumption multiplied by a market-based emission factor which corresponds to the characteristics of the electricity purchased. For purchased renewable electricity the factor is 0 kgCO<sub>2</sub>e/kWh. In other cases, the supplier specific emission factor communicated by the electricity provider or in the absence of a specific supplier factor the emission factor based on the regional electricity generation mix or finally the default location-based emission factor. For purchased steam consumption a supplier specific emission factor is used.

*Source of emission factors:* Scope 1 and out of scope biogenic emission factors (kgCO<sub>2</sub>e per kWh) are taken from Defra's 2021 - UK Government GHG Conversion Factors for Company Reporting. Scope 2 location-based emission factors (kgCO<sub>2</sub>e per kWh) are taken from 3 sources: (i) Defra 2021 for UK purchased electricity and for Scope 2 emissions associated to purchased steam consumption (electricity generation based on coal combustion); (ii) US EPA: eGRID 2019v2 - Subregion Emissions – Greenhouse Gases for US regional purchased electricity and (iii) IEA "Emissions Factors (2021 edition considering 2019 results)" for all other countries' purchased electricity.

*Phthalate-free products:* Products "without added phthalates" mean that no phthalate plasticizers (DOP or DINP) are contained in virgin raw material (not greater than 0.1% in mass) in the product composition, but recycled material content could contain some residual phthalates.

*Percentage of phthalate-free flooring:* Share of finished goods production volume (m<sup>2</sup>) potentially containing phthalates, i.e. all vinyl products (including LVT outsourced) and all other products containing PVC parts (e.g. certain carpets produced in North America) which are phthalate-free.

*VOC:* volatile organic compounds.

*Low VOC emission products:* Products with TVOC emissions ≤ 100 µg/m<sup>3</sup> according to ISO 16000-9 guidelines (emission chamber) and local test methods (wood floorings: excluding natural emissions coming from wood itself).

*Non-quantifiable VOC emissions products:* Products with TVOC, SVOC and formaldehyde emissions ≤ 10 µg/m<sup>3</sup> according to ISO 16000-9 guidelines (emission chamber) and local test methods.

*Percentage of flooring with low VOC emission levels:* Share of finished goods production volume (m<sup>2</sup>) of indoor flooring and indoor sports surface products potentially releasing VOCs, i.e.: all products excluding outdoor grass and outdoor track surfaces which have low VOC emission levels.

*Waste:* All waste removed from the manufacturing plants, (e.g. industrial waste, office waste, waste from canteens, ...) removed by a contracted service provider (this may exclude certain non-industrial waste removed by municipal authorities who do not provide any tracking information such as quantity and type of waste removed). Tarkett splits waste by hazardous and non-hazardous and by destination: landfill, incineration with energy recovery, incineration without energy recovery, other treatment and recycling. Non-hazardous waste-water is excluded.

*Hazardous waste:* Hazardous waste as defined by national legislation at the point of generation.

## CSR methodological note

*Non-hazardous waste:* Waste not classified as hazardous as defined by national legislation at the point of generation.

*Non-recycled waste:* All waste excluding waste sent for external recycling or / and sent to other Tarkett plants for internal recycling.

*Waste to landfill:* All waste sent to landfill.

*Waste sent for external recycling:* Waste sent for external recycling. Also including carpet waste sent to cement industry as a source of calcium carbonate as well as a replacement to fossil fuel.

*Quantity of post-installation and end-of-use flooring collected through the ReStart® program:* End-of-use (post-consumer or post-utilisation) flooring and sports surface products that have been used and are removed for disposal (e.g. old products retrieved from the floor during a renovation project, potentially with remaining concrete and/or glue). Post-installation flooring waste incurred during the installation of flooring and sports surface products (e.g. not used pieces of clean flooring, reclaimed from installers during installation). Collected through Tarkett organized collection of end-of-use or post-installation waste (i.e. through ReStart® program) in order to be recycled and reintegrated into production whenever possible.

**Other CSR indicators:**

*Percentage (in spend) of suppliers who have adhered to Tarkett's Responsible sourcing Code of Conduct or equivalent:* Following the launch of our Supplier Code of conduct in 2019, we monitor the share of suppliers (in spend including trading goods, direct purchases, indirect purchases, group IT, others) who have adhered to Tarkett's Responsible sourcing Code of Conduct for Suppliers or equivalent. The indicator is calculated based on suppliers who have adhered in the current year (including Tarkett Sport Division since 2021), using purchasing data from the previous year. Accepted equivalents include: a supplier's Code of conduct if validated by Tarkett as being equivalent to Tarkett's Code of Conduct; SA8000 and ISO 14001 certification; B Corp certification and Cradle to Cradle® certification of products with all pillars in at least silver level.

GRI and DPEF concordance table

### 3.11.3 GRI and DPEF concordance table

Tarkett has developed a reporting system that follows and goes beyond the French extra-financial performance declaration (DPEF), based on challenging frameworks and guidelines published by international bodies such as the Global Reporting Initiative (GRI).

Sections quoted inside the concordance table refer to the full version of Universal Registration Document.

GRI Standard Disclosure / Description		Universal Registration Document Sections	Correspondence DPEF
<b>102</b>	<b>General Disclosures</b>		
	<b>Organisational Profile</b>		
102-1	Name of the organization	3.1.2	
102-2	Activities, brands, products, and services	1.4, 1.6, 3.1.2	
102-3	Location of headquarters	7.1.1	
102-4	Location of operations	1.5, 1.6, 3.1.2	
102-5	Ownership and legal form	7	
102-6	Markets served	1.5, 3.1.2	
102-7	Scale of the organization	1, 3.1.2	
102-8	Information on employees and other workers	3.11.1	Art. R225-105 II. A. 1° a)
102-9	Supply chain	3.9.1	Art. R225-105 II. A. 3° b)
102-10	Significant changes to the organization and its supply chain	1	
102-12	External initiatives	3.2.3, 3.5	
102-13	Membership of associations	3.5	
	<b>Strategy</b>		
102-14	Statement from senior decision-maker	3.1.1	
102-15	Key impacts, risks, and opportunities	3.3, 6.1	Art. R225-105 I. 1°
	<b>Ethics and Integrity</b>		
102-16	Values, principles, standards, and norms of behavior	3.2.4	
102-17	Mechanisms for advice and concerns about ethics	3.2.4	
	<b>Governance</b>		
102-18	Governance structure	2.1, 2.2, 3.2.1	
102-19	Delegating authority	2.1, 2.2, 3.2.1	
102-20	Executive-level responsibility for economic, environmental, and social topics	3.2.1	
102-21	Consulting stakeholders on economic, environmental, and social topics	3.5	
102-22	Composition of the highest governance body and its committees	2.1	
102-23	Chairman of the highest governance body	2.1	
102-24	Nominating and selecting the highest governance body	2.2	
102-25	Conflicts of interest	2.1.2.1	
102-26	Role of highest governance body in setting purpose, values, and strategy	2.2	
102-27	Collective knowledge of highest governance body	2.1	

## GRI and DPEF concordance table

GRI Standard Disclosure / Description		Universal Registration Document Sections	Correspondence DPEF
102-28	Evaluating the highest governance body's performance	2.2	
102-29	Identifying and managing economic, environmental, and social impacts	3.3, 6.1	
102-30	Effectiveness of risk management processes	3.3, 6.2	
102-31	Review of economic, environmental, and social topics	3.2.1	
102-32	Highest governance body's role in sustainability reporting	3.2.2	
102-35	Remuneration policies	2.3, 2.6	
102-36	Process for determining remuneration	2.2, 2.6	
102-37	Stakeholders' involvement in remuneration	2.6	
<b>Stakeholder Engagement</b>			Art. R225-105 II. A. 3° a)
102-40	List of stakeholder groups	3.5	
102-41	Collective bargaining agreements	3.10.5.3, 3.11.1	Art. L225-102-1 III.
102-42	Identifying and selecting stakeholders	3.5	
102-43	Approach to stakeholder engagement	3.5	
102-44	Key topics and concerns raised	3.5	
<b>Reporting Practice</b>			
102-45	Entities included in the consolidated financial statements	3.11.2, 5	Art. L225-102-1 III.
102-46	Defining report content and topic boundaries	3.11.2	
102-47	List of material topics	3.3.4	
102-48	Restatements of information	3.11.1, 3.11.2	
102-49	Changes in reporting	3.2.2, 3.11.2	
102-50	Reporting period	3.11.2	
102-51	Date of most recent report	3.11.2	
102-52	Reporting cycle	3.11.2	
102-53	Contact point for questions regarding the report	3.11.2	
102-55	GRI content index	3.11.3	
102-56	External assurance	3.11.4	Art. L225-102-1 V.
<b>103</b>	<b>Management Approach</b>	<b>3.1, 3.2, 3.5, 3.6, 3.7, 3.8, 3.9, 3.10</b>	<b>Art. R225-105 I. 2° &amp; 3°</b>
<b>200</b>	<b>Economic</b>		
<b>201</b>	<b>Economic Performance</b>		
201-1	Direct economic value generated and distributed	3.1.2, 4, 5	
201-2	Financial implications and other risks and opportunities due to climate change	3.3, 6.1	Art. L225-102-1 III.
203	Indirect Economic Impact		
203-1	Infrastructure investments and services supported	3.9.2	
203-2	Significant indirect economic impacts	3.9.2	Art. R225-105 II. A. 3° a)
205	Anti-Corruption	3.2.4	Art. L225-102-1 III. Art. R225-105 II. B. 1°



## GRI and DPEF concordance table

GRI Standard Disclosure / Description		Universal Registration Document Sections	Correspondence DPEF
205-1	Operations assessed for risks related to corruption	3.2.4.2, 3.3	
205-2	Communication and training about anti-corruption policies and procedures	3.2.4.2	
<b>300</b>	<b>Environmental</b>		Art. L225-102-1 III. Art. R225-105 II. A. 2° a)
<b>301</b>	<b>Materials</b>		Art. R225-105 II. A. 2° c) ii)
301-1	Materials used by weight or volume	3.6.1.1, 3.11.1	
301-2	Recycled input materials used	3.7.2.3, 3.11.1	
301-3	Reclaimed products and their packaging material	3.7.2.2, 3.11.1	
<b>302</b>	<b>Energy</b>		Art. R225-105 II. A. 2° c) ii)
302-1	Energy consumption within the organization	3.7.1.1, 3.11.1	
302-3	Energy intensity	3.7.1.1, 3.11.1	
302-4	Reduction of energy consumption	3.7.1.1	
302-5	Reductions in energy requirements of products and services	3.7.1.1	
<b>303</b>	<b>Water and Effluents</b>		
303-5	Water Consumption	3.7.1.3, 3.11.1.	Art. R225-105 II. A. 2° c) ii)
<b>305</b>	<b>Emissions</b>		Art. R225-105 II. A. 2° b) & d)
305-1	Direct (Scope 1) GHG emissions)	3.7.1, 3.11.1	
305-2	Energy indirect (Scope 2) GHG emissions	3.7.1, 3.11.1	
305-3	Other indirect (Scope 3) GHG emissions	3.7.2, 3.11.1	
305-4	GHG emissions intensity	3.7.1, 3.11.1	
305-5	Reduction of GHG emissions	3.7	
<b>306</b>	<b>Waste</b>		Art. R225-105 II. A. 2° c) i)
306-2	Waste by type and disposal method	3.7.2.1	
308	Supplier Environmental Assessment	3.6.1, 3.9.1	Art. R225-105 II. A. 3° b)
308-1	New suppliers that were screened using environmental criteria	3.9.1	
308-2	Negative environmental impacts in the supply chain and actions taken	3.9.1	
<b>400</b>	<b>Social</b>		Art. L225-102-1 III.
401	Employment		
401-1	New employee hires and employee turnover	3.10.5.4, 3.11.1	Art. R225-105 II. A. 1° a)
402	Labor / Management Relations		
402-1	Minimum notice periods regarding operational changes	3.10.5.4	
403	Occupational Health & Safety	3.10.1, 3.10.2	Art. R225-105 II. A. 1° c)
403-1	Occupational health and safety management system	3.10.1, 3.10.2	
403-2	Hazard identification, risk assessment, and incident investigation	3.3, 3.10.1	
403-3	Occupational health services	3.10.2	
403-5	Worker training on occupational health and safety	3.10.1, 3.10.4.2	

## GRI and DPEF concordance table

GRI Standard Disclosure / Description		Universal Registration Document Sections	Correspondence DPEF
403-6	Promotion of worker health	3.10.2	
403-8	Workers covered by an occupational health and safety management system	3.10.1	
403-9	Work-related injuries	3.10.1, 3.11.1	Art. R225-105 II. A. 1° c)
403-10	Work-related ill health	3.10.2, 3.11.1	Art. R225-105 II. A. 1° c)
404	Training and Education	3.10.4.2	Art. R225-105 II. A. 1° e)
404-1	Average hours of training per year per employee	3.11.1	
404-2	Programs for upgrading employee skills and transition assistance programs	3.10.4.2	
404-3	Percentage of employees receiving regular performance and career development reviews	3.10.4.1, 3.11.1	
405	Diversity and Equal Opportunity	3.10.3	Art. L225-102-1 III. Art. R225-105 II. A. 1° f)
405-1	Diversity of governance bodies and employees	3.10.3, 3.11.1	
407	Freedom of Association and collective bargaining		Art. R225-105 II. A. 1° d)
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	3.10.5.3	
412	Human Rights Assessment		Art. L225-102-1 III. Art. R225-105 II. B. 2°
412-2	Employee training on human rights policies or procedures	3.2.4, 3.11.1	
413	Local Communities	3.9.2	Art. R225-105 II. A. 3° a)
413-1	Operations with local community engagement, impact assessments, and development programs	3.9.2, 3.11.1	Art. L225-102-1 III.
414	Supplier Social Assessment	3.9.1.1	Art. R225-105 II. A. 3° b)
414-1	New suppliers that were screened using social criteria	3.9.1.1	
414-2	Negative social impacts in the supply chain and actions taken	3.9.1.1	
416	Customer Health and Safety		Art. R225-105 II. A. 3° c)
416-1	Assessment of the health and safety impacts of product and service categories	3.6.1, 3.8, 3.11.1	
417	Marketing and Labeling		
417-1	Requirements for product and service information and labeling	3.6.1.2	

### 3.11.4 Report of Independent Third-Party Organization

#### Report by one of the Statutory Auditors, appointed as independent third party, on the consolidated non-financial statement in the Management Report

*This is a free English translation of the Statutory Auditor's report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.*

##### To the Shareholders,

In our capacity as Statutory Auditor of your company (hereinafter the "entity"), appointed as independent third party and accredited by COFRAC under number 3-1049[1], we have undertaken a limited assurance engagement on the historical financial information (actual or extrapolated) of the consolidated non-financial statement, prepared in accordance with the entity's procedures (hereinafter the "Guidelines"), for the year ended 31 December 2021 (hereinafter, respectively, the "Information" and the "Statement"), included in the Group's management report pursuant to the requirements of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (*Code de commerce*).

##### Conclusion

Based on the procedures performed, as set out in the "Nature and scope of our work" section of this report, and the information collected, nothing has come to our attention that causes us to believe that the consolidated non-financial statement is not presented in accordance with the applicable regulatory requirements and that the Information, taken as a whole, is not presented fairly in accordance with the Guidelines, in all material respects.

##### Preparation of the non-financial statement

The absence of a commonly used generally accepted reporting framework or a significant body of established practice on which to draw to evaluate and measure the Information allows for different, but acceptable, measurement techniques that can affect comparability between entities and over time.

Consequently, the Information needs to be read and understood together with the Guidelines, the main elements of which are presented in the Statement or on request from the entity's registered office.

##### Inherent limitations in preparing the Information

The Information may be subject to inherent uncertainty because of incomplete scientific and economic knowledge and the quality of external data used. Some information is sensitive to methodological choices, assumptions and/or estimates used for their preparation and presentation in the Statement.

##### Responsibility of the entity

The Board of Directors is responsible for:

- > Selecting or establishing suitable criteria for preparing the Information;
- > Preparing a Statement in accordance with legal and regulatory requirements, including a presentation of the business model, a description of the main extra-financial risks, a presentation of policies applied to mitigate these risks and the outcomes of those policies, including key performance indicators, and the information provided for in Article 8 of Regulation (EU) 2020/852 (the Taxonomy Regulation);
- > Implementing internal control over information relevant to the preparation of the Information that is free from material misstatement, whether due to fraud or error.

The Statement was prepared by applying the entity's Guidelines as mentioned previously.

##### Responsibility of the Statutory Auditor, appointed as independent third party

On the basis of our work, our responsibility is to provide a report expressing a limited assurance conclusion on:

- > The compliance of the Statement with the requirements of Article R. 225-105 of the French Commercial Code;
- > The fairness of the historical financial information (actual or extrapolated) provided in accordance with Article R.225-105-I(3) and II of the French Commercial Code concerning action plans and policy outcomes, including the key performance indicators on the main risks.

As it is our responsibility to provide an independent conclusion on the Information as prepared by Management, we are not authorised to help prepare said Information, as that could compromise our independence.

## Report of Independent Third-Party Organization

However, it is not our responsibility to comment on:

- > The entity's compliance with other applicable legal and regulatory requirements (in particular, the disclosures provided for in Article 8 of Regulation (EU) 2020/852 (the Taxonomy Regulation), the French duty of care law and anti-corruption and tax avoidance legislation);
- > The fairness of the disclosures provided for in Article 8 of Regulation (EU) 2020/852 (the Taxonomy Regulation);
- > the compliance of products and services with the applicable regulations.

#### Regulatory provisions and applicable professional guidance

We performed our work described below in accordance with the provisions of Articles A. 225 1 and following of the French Commercial Code, the professional guidance issued by the French Institute of Statutory Auditors (Compagnie nationale des commissaires aux comptes) relating to this engagement and International Standard on Assurance Engagements 3000 (Revised)[2].

#### Our independence and quality control

Our independence is defined by the provisions of Article L. 822-11-3 of the French Commercial Code and the French Code of Ethics (Code de déontologie) for statutory auditors. Our firm maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with applicable legal, regulatory and ethical requirements and the professional guidance issued by the French Institute of Statutory Auditors relating to this engagement.

#### Means and resources

Our work was carried out by a team of eight people between September 2021 and February 2022 and took a total of ten weeks.

We were assisted in our work by our specialists in sustainable development and corporate social responsibility. We conducted around twenty interviews with people responsible for preparing the Statement.

#### Nature and scope of our work

We planned and performed our work to address the areas where we identified that a material misstatement of the Information was likely to arise.

We believe that the work carried out, based on our professional judgement, is sufficient to provide a basis for our limited assurance conclusion:

- > We obtained an understanding of all the consolidated entities' activities and the description of the principal risks associated;
- > We assessed the suitability of the criteria of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, with due consideration of industry best practices, where appropriate;
- > We have verified that the Declaration covers each category of information provided for in III of Article L. 225-102-1 concerning social and environmental matters, as well as the information provided for in the second paragraph of Article L. 22-10-36 concerning respect for human rights and the fight against corruption and tax evasion;
- > We verified that the Statement provides the information required under Article R. 225-105 II of the French Commercial Code, where relevant with respect to the principal risks, and includes, where applicable, an explanation for the absence of the information required under Article L. 225-102-1 III, paragraph 2 of the French Commercial Code;
- > We verified that the Statement presents the business model and a description of the principal risks associated with all the consolidated entities' activities], including where relevant and proportionate, the risks associated with [their] business relationships, [their] products or services, as well as [their] policies, measures and the outcomes thereof, including key performance indicators associated to the principal risks;

## Report of Independent Third-Party Organization

- > We referred to documentary sources and conducted interviews to:
  - assess the process used to identify and confirm the principal risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the principal risks and the policies presented, and
  - corroborate the qualitative information (measures and outcomes) that we considered to be the most important presented in the appendices. Concerning certain risks<sup>[3]</sup>, our work was carried out on the consolidating entity, for the other risks, our work was carried out on the consolidating entity and on a selection of entities<sup>[4]</sup>.
- > We verified that the Statement covers the scope of consolidation, i.e. all the consolidated entities in accordance with Article L. 233-16, within the limitations set out in the Statement;
- > We obtained an understanding of the internal control and risk management procedures the entity has put in place and assessed the data collection process to ensure the completeness and fairness of the Information;
- > For the key performance indicators and other quantitative outcomes that we considered to be the most important, as presented in the appendices, we implemented:
  - Analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data;
  - Tests of details, using sampling techniques, in order to verify the proper application of the definitions and procedures and reconcile the data with the supporting documents. This work was carried out on a selection of contributing entities and covers between 18% and 100% of the consolidated data selected for these tests;

- > We assessed the overall consistency of the Statement based on our knowledge of all the consolidated entities.

The procedures performed in a limited assurance engagement are less in extent than for a reasonable assurance engagement performed in accordance with the professional guidance issued by the French Institute of Statutory Auditors; a higher level of assurance would have required us to carry out more extensive procedures.

*[1] Cofrac Accreditation Inspection, no. 3-1049, available at [www.cofrac.fr](http://www.cofrac.fr)*

*[2] ISAE 3000 (Revised) - Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*

*[3] Unavailability, disruptions, site damage; Ethics and integrity in conducting business; Evolution of the flooring market; Evolution, complexity and interpretation of tax regulations; Information system and cybersecurity; Supplier dependency.*

*[4] Tarkett North America; TSP FieldTurf USA; Sedan – France; Dendermonde – Belgium; Otradny – Russia.*

**Paris-La Défense, on February 18th, 2022, KPMG S.A.**

**Fanny Houlliot, Partner, Sustainability Services**

**Renaud Laggiard, Partner**

## Appendix

<b>Qualitative information (actions and results) considered most important</b>
Measures taken to promote employee well-being
Group commitments and solidarity actions
Measures taken for the safety of employees
Talent and Competency Management Programs
Actions in favor of transparency on the composition of products
Objectives and commitments to reduce the environmental impact of the activity
Measures taken to promote the circular economy
Principles and procedures for ensuring business ethics and integrity
Corruption prevention measures
Promotion of good practices throughout the supply chain
Measures taken to limit the risk of dependence on suppliers
Actions on cybersecurity
<b>Key performance indicators and other quantitative outcomes considered to be the most important</b>
Total number of employees (as of 31/12)
Total number of permanent contract female employees
Total number of permanent contract male employees
Share of permanent employees
Percentage of employees trained at least 1 day during the year
Absentee rate (employees)
Percentage of open management positions filled by an internal candidate
Recordable lost-time accident frequency rate for all employees
Lost day rate due to Lost Time Accident - accident severity rate for all employees
Percentage of women in management
Water consumption intensity
Percentage of production sites certified ISO 14001
Percentage of raw materials not contributing to resource scarcity (abundant, rapidly renewable or recycled)
Percentage of renewable or recycled raw materials
Energy intensity
Percentage of energy consumption coming from renewable energies
GHG market-based emissions intensity (Scope 1 & Scope 2)
Percentage reduction of Scope 1 & 2 GHG emissions vs 2019
Quantity of post-installation and end-of-use flooring collected through the ReStart® program
Percentage of flooring with low Volatile Organic Compound (VOC) emissions levels
Percentage of phthalate-free flooring
Percentage of raw materials third-party assessed for their impact on people's health and the environment based on Cradle to Cradle® criteria
Percentage (in spend) of suppliers who have adhered to Tarkett's Responsible sourcing Code of Conduct or equivalent
Percentage (in number) of targeted suppliers who have adhered to Tarkett's Responsible sourcing Code of Conduct or equivalent

Report of Independent Third-Party Organization

## Appendix

### List of Cradle to Cradle® (C2C) certifications

Product Categories	Product References	Certification Level
Carpet	Desso EcoBase® PA6 Solution Dyed Carpet Tiles Gold	Gold V3.1
	Desso EcoBase® Carpet Tile Backing	Gold V3.1
	Desso EcoBase® PA 6 Continuous Dyed Carpet Tiles	Silver V3.1
	Desso EcoBase® PA 6 Solution Dyed Carpet Tiles	Silver V3.1
	Desso One	Silver V3.1
	EcoBase PA Solution Dyed Carpet Tiles Suzhou	Silver V3.1
	ethos® Modular Tile with Omnicoat Technology	Silver V3.1
	Solution Dyed Broadloom	Bronze V3.1
	Continuous Dyed Broadloom	Bronze V3.1
	Desso EcoBase® PA 6.6 Continuous Dyed Carpet Tiles	Silver V3.1
	Desso® PA 6 Solution Dyed Carpet Tiles	Bronze V3.1
	Desso® PA 6 Continuous Dyed Carpet Tiles	Bronze V3.1
	Desso® PA 6.6 Continuous Dyed Carpet Tiles	Bronze V3.1
	Resilient flooring	iQOne
iD Revolution		Gold V3.1
Linoleum	Tarkett Linoleum Flooring	Gold V3.1
	Tarkett Linoleum Flooring and Wall Covering Silver	Silver V3.1
	Tarkett Linoleum Flooring and Wall Covering Bronze	Bronze V3.1
Rubber	BaseWorks® Thermoset Rubber Wall Base	Silver V3.1
	Tarkett Rubber Tile Collection	Bronze V3.1
Artificial turf	FieldTurf, EasyTurf and Desso product ranges	Bronze V3.1
Wood	Parquet	Silver V3.1

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C2C Material Health Certificates

Product Categories	Product References	Certification Level
Anti-soil	Eco-Ensure	Platinum
Adhesifs	Tandus B-19 Adhesive	Platinum
	Tandus C-56 Floor Primer	Platinum
	Tarkett 959 Vinyl Tile and Plank Adhesive	Platinum
	Tarkett 901 Resilient Flooring Spray Adhesive and Sports HS Spray Adhesive	Silver
	Tarkett Resilient Flooring Adhesives	Platinum
	Tandus Centiva C-12e Pressure Sensitive Adhesive	Silver
	Tandus Centiva C-14e Pressure Sensitive Adhesive	Silver
	Tandus Centiva C-TR Adhesive	Silver
	Tarkett C-EX Pressure Sensitive Adhesive	Silver
Resilient flooring	Tarkett RollSmart Adhesive	Bronze
	iQOne	Platinum
Rubber	BaseWorks® Thermoset Rubber Wall Base	Silver
	Tarkett Rubber Tile Collection	Bronze



## Report of Independent Third-Party Organization

## List of plant ISO certifications

Site	Products	ISO 9001	ISO 45001	ISO 14001	ISO 50001
Clervaux, Luxembourg	Resilient flooring	x	x	x	x
Konz, Germany	Resilient flooring	x	x	x	x
Ronneby, Sweden	Resilient flooring	x	x	x	x
Sedan, France	Resilient flooring	x	x	x	x
Jaslo, Poland	Resilient flooring	x		x	x
Lenham, UK	Resilient flooring	x	x	x	
Tuzla, Turkey	Resilient flooring	x	x	x	
Narni <sup>1</sup> , Italy	Resilient flooring (linoleum)	x	x	x	x
Orzechowo, Poland	Wood flooring	x	x	x	x
Hanaskog, Sweden	Wood flooring	x	x	x	
Waalwijk, Netherlands	Carpet	x		x	
Dendermonde, Belgium	Carpet	x	x	x	x
Otradny, Russia	Resilient flooring	x	x	x	
Mytishchi, Russia	Laminate flooring	x	x	x	
Kalush, Ukraine	Resilient & wood flooring	x	x	x	
Bačka Palanka, Serbia	Resilient & wood flooring, carpet and rugs	x	x	x	x
Farnham, Canada	Resilient flooring	x	x	x	
Florence West, USA	Resilient flooring		x	x	
Florence East, USA	Premium vinyl tiles (LVT)	x	x	x	
Middlefield, USA	Resilient flooring	x	x	x	
Chagrin Falls, USA	Resilient flooring	x	x	x	
Dalton (Smith), USA	Carpet			x	
Dalton (Kraft), USA	Carpet				
Calhoun, USA	Carpet			x	
Mexico City <sup>2</sup> , Mexico	Resilient flooring				
Jacareí, Brazil	Resilient flooring	x	x	x	
Suzhou, China	Carpet	x	x	x	
Beijing, China	Resilient flooring	x		x	
Calhoun (FieldTurf), USA	Artificial turf	x	x	x	
Auchel, France	Artificial turf	x			
Toronto, Canada	Shockpads				
Botany, Australia	Artificial turf	x	x	x	
Abtsteinach, Germany	Fibres for artificial turf	x			x
Hunt Valley, USA	Athletic tracks	x			

<sup>1</sup> The site at Narni (Italy) also has ISO 37001 certification (Anti-Bribery Management Systems) and a Social Responsibility SA 8000 certification.

<sup>2</sup> The site at Mexico City (Mexico) was acquired in 2021

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### ICPE Production Sites in France (Classified Installations for Environmental Protection) – Sedan and Auchel sites

In France, ICPE refers to '*Installations Classées pour la Protection de l'Environnement*' – Classified Installations for Environmental Protection.

**The vinyl production facility in Sedan, France** is ranked as an Authorization-level Classified Installation by a Prefectural Decree of July 2008 in particular for sections with regard to the processing and storage of plastic materials. Hence the site is subject to "Authorization" for sections:

- > 2450-A-a – Rotogravure printing

The Sedan site has entrusted its regulatory surveillance to a specialized firm which enables it to identify evolutions in ICPE regulations. In particular, the site communicated all elements to the authorities concerning the new 3000 and 4000 ICPE sections. The site is organized in case of a major fire or pollution disaster thanks to an Internal Operation Plan (POI) and an internal team of firemen capable of intervening 24 hours a day and 7 days a week.

The site organization complies with the highest standards. Hence, the site is certified for the following standards: ISO 9001 (Quality), ISO 14001 (Environment), ISO 50001 (Energy) and ISO 45001 (Health & Safety).

Thanks to a proactive policy, the site has reduced its environmental impact. In 2021 the site recycled 99,7% of its waste, with no waste sent to landfill. In 2019 and 2020, the plant recorded less than 4 tons of industrial VOC (Volatile Organic Compounds) emissions (against a prefectural decree authorizing up to 30 tons, 2021 results not available at time of publication). Water consumption has been reduced by 40% in 2021 compared to 2015 and a study is underway to eliminate non-domestic discharges from 2023.

To achieve this, the site uses a defined method of analysis and reduction of environmental impacts.

Finally, to protect the environment from accidental pollution, the site has set up oil separators on rainwater discharges and a system for continuously analyzing the level of pollution of industrial water discharges.

### Artificial turf production facility in Auchel

The authorization request to operate the Auchel site (France) was validated by the Préfecture (territorial authorities) on 17/03/2017. The Auchel site factory installations are subject to the registration scheme. The nomenclature version considered to carry out this classification is version 27.01 (October 2015). Accordingly, the site is now subject to registration for sections 2661.1.b and 2661.2.a – Transformation of polymers. The following sections were moreover classified as being subject to declaration (the regulatory level below Registration):

- > 2662.3 – Storage of polymers;
- > 2663.2.b – Storage of tires and products of which a minimum of 50% of the total unit weight is composed of polymers;
- > 4719.2 – Acetylene storage;
- > 4719.2 - Stockage d'Acétylène.

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### List and justification of non-material CSR topics

The CSR topics listed in the below table are not highly material for Tarkett and were therefore not developed in the CSR report.

CSR Topic	Justification of low materiality for Tarkett
<b>Biodiversity</b>	Tarkett does not operate in areas of high biodiversity value such as natural protected areas and does not develop new activities in pristine areas. As such, our activities do not have a direct impact on sensitive biodiversity features. We can however have an indirect impact on biodiversity, e.g. through natural resources consumption, air emissions or waste generation – topics which are duly addressed in the CSR report.
<b>Air emissions (other than greenhouse gases)</b>	Our main focus concerning air emissions is on greenhouse gases (GHG) due to their global impact on climate change. Some actions implemented to reduce GHG emissions (such as improvement of energy efficiency, development of renewable energies, etc.) in turn reduce emissions of other air pollutants such as nitrogen oxides (NO <sub>x</sub> ), sulphur oxides (SO <sub>x</sub> ) or particulate matters (PM). Most of our direct emission sources (e.g. boilers) at our manufacturing sites use natural gas as fuel, thus leading to minimal SO <sub>x</sub> and PM emissions. We monitor our air emissions as per regulatory requirements to confirm compliance with applicable emissions standards for other pollutants such as NO <sub>x</sub> .
<b>Wastewater discharges</b>	Our main focus is to reduce water consumption, by implementing closed-loop water systems or manufacturing processes which do not consume any water (topic addressed in the CSR report). This in turn minimizes the volume of wastewater discharges at our manufacturing sites. Concerning pollutants, we monitor our wastewater discharges as per regulatory requirements to confirm compliance with applicable standards.
<b>Noise and other nuisances</b>	At our manufacturing sites, we measure boundary noise as per regulatory requirements to confirm compliance with applicable standards and to ensure that we minimize the nuisances for our neighbors. Complaints regarding noise or other nuisances (e.g. odors, lighting, smoke), which very rarely occur, are discussed with the complainant, investigated and subject to appropriate corrective actions as relevant.
<b>Food wastage</b>	Food waste is limited to restaurant services and is managed by external suppliers with their own action plan.
<b>Environmental incidents</b>	Our activities are not likely to generate catastrophic environmental incidents such as a significant oil or chemical spill. We however have emergency response plans in place at our manufacturing sites, which include environmental emergencies. We systematically report and investigate environmental incidents, qui incluent les urgences environnementales, en place sur nos sites de production. Tout incident environnemental est systématiquement reporté et analysé.
<b>Child labor</b>	Tarkett does not operate in countries with a high risk of child labor. Our internal policies and our Code of Ethics completely prohibit child labor.
<b>Rights of indigenous people</b>	Tarkett activities do not involve direct impact or relationship with indigenous people (such as resettlement, land acquisition, etc.).
<b>Combat against food insecurity, respect of animal welfare, responsible, fair and sustainable food supply</b>	These topics are not applicable to Tarkett activities (topics included in the French regulations on non-financial statement – DPEF further to the publication in October 2018 of law n° 2018-938 on balanced trade relations in the agricultural and food sectors and on healthy and sustainable food supply accessible to all).

Design and Production



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## Tarkett

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